



Finance Act 1998

1998 CHAPTER 36

PART VI

MISCELLANEOUS AND SUPPLEMENTAL

Government borrowing

158 Treasury's position regarding their own securities.

- (1) This section applies to securities issued by or on behalf of the Treasury, here referred to as Treasury securities.
- (2) Any powers which relate to Treasury securities and which are conferred on the Treasury in a capacity other than issuer may be exercised by them, and no rule of law preventing a person contracting with himself shall prevent them exercising the powers.
- (3) The powers referred to in subsection (2) above include powers to acquire, hold and transfer securities and to make agreements with regard to them.
- (4) If Treasury securities are acquired under powers conferred on the Treasury, until they are transferred or redeemed they shall be treated as held by the persons for the time being constituting the Treasury.

159 Treasury bills.

- (1) In section 8 of the ^{M1}Treasury Bills Act 1877 (mode of issue of Treasury bills) the following shall be substituted for paragraph (1)—

“(1) Treasury bills shall be issued by the Treasury (either directly or through such agent as the Treasury think fit).”
- (2) This section shall apply in relation to issues made on or after such day as the Treasury may appoint by order made by statutory instrument.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, Cross Heading: Government borrowing. (See end of Document for details)

Subordinate Legislation Made

P1 S. 159(2) power fully exercised (25.10.1999): 15.11.1999 appointed by S.I. 1999/2908, arts. 1(2), 2(1)

Marginal Citations

M1 1877 c. 2.

160 National loans.

Schedule 26 to this Act (national loans) shall have effect.

161 Non-FOTRA securities.

- (1) Subject to the following provisions of this section, any gilt-edged security issued before 6th April 1998 without FOTRA conditions shall be treated in relation to times on or after that date as if—
 - (a) it were a security issued with the post-1996 Act conditions; and
 - (b) those conditions had been authorised in relation to the issue of that security by virtue of section 22 of the ^{M2}Finance (No. 2) Act 1931.
- (2) Where a gilt-edged security falls to be treated as mentioned in subsection (1) above that treatment shall have effect—
 - (a) for the purposes of [^{F1}Chapter 2 of Part 12 of the Income Tax Act 2007 (accrued income profits) in relation only to accrued income profits which a person is treated as making under section 628(5) or 630(2) of that Act] on or after 6th April 1998;
 - (b) for the other purposes of the Tax Acts, in relation only to payments of interest falling due on or after that date; and
 - (c) for the purposes of the ^{M3}Inheritance Tax Act 1984, in relation only to a determination of whether property is excluded property at a time falling on or after that date.
- (3) No charge to tax shall be treated as arising under section 65 of the ^{M4}Inheritance Tax Act 1984 (property becoming excluded property) by reason only of the coming into force of this section.
- (4) In this section “FOTRA conditions” means any such conditions about exemption from taxation as are authorised in relation to the issue of a gilt-edged security by virtue of section 22 of the ^{M5}Finance (No. 2) Act 1931.
- (5) In this section “the post-1996 Act conditions” means the FOTRA conditions with which 7.25% Treasury Stock 2007 was first issued by virtue of section 22 of the ^{M6}Finance (No. 2) Act 1931.
- (6) In this section “gilt-edged securities” means any securities which are gilt-edged securities for the purposes of the ^{M7}Taxation of Chargeable Gains Act 1992.
- (7) This section does not apply to any 3½% War Loan 1952 Or After which was issued with a condition authorised by virtue of section 47 of the ^{M8}Finance (No. 2) Act 1931.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, Cross Heading: Government borrowing. (See end of Document for details)

Textual Amendments

- F1** Words in s. 161(2)(a) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 384](#) (with [Sch. 2](#))

Marginal Citations

- M2** 1931 c. 49.
M3 1984 c. 51.
M4 1984 c. 51.
M5 1931 c. 49.
M6 1931 c. 49.
M7 1992 c. 12.
M8 1915 c. 89.

162 Accounting statements relating to National Savings.

- (1) Subject to subsection (2) below, in each of the following provisions (which provide for annual statements of account as respects years ending with 31st December to be prepared in relation to deposits with the National Savings Bank), that is to say—

- ^{F2}(a)
(b) section 120(4) of the ^{M9}Finance Act 1980 (investment deposits), for “31st December” there shall be substituted “ 31st March ”.

^{F3}(2)

- (3) In section 19(2) of the ^{M10}National Savings Bank Act 1971 (delivery of statement under section 19(1) to the Comptroller and Auditor General), for the words from “before the end of May” to “that year” there shall be substituted “ before the end of August next following the end of any period for which a statement falls to be prepared under subsection (1) above, transmit the statement for that period ”.

- (4) In section 20 of that Act (adjustment of balances)—

- (a) for “year ending with 31st December” there shall be substituted “ period as respects which a statement falls to be prepared under section 19(1) of this Act ”,
(b) for the words “the year”, in each place where they occur, there shall be substituted “ that period ”; and
(c) for “any such year” there shall be substituted “ any such period ”.

^{F4}(5)

Textual Amendments

- F2** S. 162(1)(a) repealed (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 5\(4\)](#)
F3 S. 162(2) repealed (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 5\(4\)](#)
F4 S. 162(5) repealed (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 5\(4\)](#)

Marginal Citations

- M9** 1980 c. 48.
M10 1971 c. 29.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 1998, Cross Heading:
Government borrowing.