



Finance Act 1999

1999 CHAPTER 16

PART VIII

MISCELLANEOUS AND SUPPLEMENTAL

General administration of tax

131 Economic and monetary union: taxes and duties.

The Commissioners of Inland Revenue and the Commissioners of Customs and Excise may incur expenditure in order to secure that, if the United Kingdom were to move to the third stage of economic and monetary union, they would be able to exercise their functions relating to taxes and duties (including agricultural levies of the European Community).

132 Power to provide for use of electronic communications.

- (1) Regulations may be made, in accordance with this section, for facilitating the use of electronic communications for—
 - (a) the delivery of information the delivery of which is authorised or required by or under any legislation relating to a taxation matter;
 - (b) the making of payments under any such legislation.
- (2) The power to make regulations under this section is conferred—
 - (a) on the Commissioners of Inland Revenue in relation to matters which are under their care and management; and
 - (b) on the Commissioners of Customs and Excise in relation to matters which are under their care and management.
- (3) For the purposes of this section provision for facilitating the use of electronic communications includes any of the following—

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- (a) provision authorising persons to use electronic communications for the delivery of information to tax authorities, or for the making of payments to tax authorities;
 - (b) provision requiring electronic communications to be used for the making to tax authorities of payments due from persons using such communications for the delivery of information to those authorities;
 - (c) provision authorising tax authorities to use electronic communications for the delivery of information to other persons or for the making of any payments;
 - (d) provision as to the electronic form to be taken by any information that is delivered to any tax authorities using electronic communications;
 - (e) provision requiring persons to prepare and keep records of information delivered to tax authorities by means of electronic communications, and of payments made to any such authorities by any such means;
 - (f) provision for the production of the contents of records kept in accordance with any regulations under this section;
 - (g) provision imposing conditions that must be complied with in connection with any use of electronic communications for the delivery of information or the making of any payment;
 - (h) provision, in relation to cases where use is made of electronic communications, for treating information as not having been delivered, or a payment as not having been made, unless conditions imposed by any such regulations are satisfied;
 - (i) provision, in relation to such cases, for determining the time when information is delivered or a payment is made;
 - (j) provision, in relation to such cases, for determining the person by whom information is to be taken to have been delivered or by whom a payment is to be taken to have been made;
 - (k) provision, in relation to cases where information is delivered by means of electronic communications, for authenticating whatever is delivered.
- (4) The power to make provision under this section for facilitating the use of electronic communications shall also include power to make such provision as the persons exercising the power think fit (including provision for the application of conclusive or other presumptions) as to the manner of proving for any purpose—
- (a) whether any use of electronic communications is to be taken as having resulted in the delivery of information or the making of a payment;
 - (b) the time of delivery of any information for the delivery of which electronic communications have been used;
 - (c) the time of the making of any payment for the making of which electronic communications have been used;
 - (d) the person by whom information delivered by means of electronic communications was delivered;
 - (e) the contents of anything so delivered;
 - (f) the contents of any records;
 - (g) any other matter for which provision may be made by regulations under this section.
- (5) Regulations under this section may—
- (a) allow any authorisation or requirement for which such regulations may provide to be given or imposed by means of a specific or general direction

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- given by the Commissioners of Inland Revenue or the Commissioners of Customs and Excise;
- (b) provide that the conditions of any such authorisation or requirement are to be taken to be satisfied only where such tax authorities as may be determined under the regulations are satisfied as to specified matters;
- (c) allow a person to refuse to accept delivery of information in an electronic form or by means of electronic communications except in such circumstances as may be specified in or determined under the regulations;
- (d) allow or require use to be made of intermediaries in connection with—
- (i) the delivery of information, or the making of payments, by means of electronic communications; or
 - (ii) the authentication or security of anything transmitted by any such means.
- (6) Power to make provision by regulations under this section shall include power—
- (a) to provide for a contravention of, or any failure to comply with, a specified provision of any such regulations to attract a penalty of a specified amount not exceeding £1,000;
 - (b) to provide that specified enactments relating to penalties imposed for the purposes of any taxation matter (including enactments relating to assessments, review and appeal) are to apply, with or without modifications, in relation to penalties under such regulations;
 - (c) to make different provision for different cases;
 - (d) to make such incidental, supplemental, consequential and transitional provision in connection with any provision contained in any such regulations as the persons exercising the power think fit.
- (7) The power to make regulations under this section shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.
- (8) References in this section to the delivery of information include references to any of the following (however referred to)—
- (a) the production or furnishing to a person of any information, account, record or document;
 - (b) the giving, making, issue or surrender to, or service on, any person of any notice, notification, statement, declaration, certificate or direction;
 - (c) the imposition on any person of any requirement or the issue to any person of any request;
 - (d) the making of any return, claim, election or application;
 - (e) the amendment or withdrawal of anything mentioned in paragraphs (a) to (d) above.
- (9) References in this section to a taxation matter are references to any of the matters which are under the care and management of the Commissioners of Inland Revenue or of the Commissioners of Customs and Excise.
- (10) In this section—
- “electronic communications” includes any communications by means of a telecommunication system (within the meaning of the ^{M1}Telecommunications Act 1984);

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“legislation” means any enactment, Community legislation or subordinate legislation;

“payment” includes a repayment;

“records” includes records in electronic form;

“subordinate legislation” has the same meaning as in the ^{M2}Interpretation Act 1978;

“tax authorities” means—

- (a) the Commissioners of Inland Revenue or the Commissioners of Customs and Excise,
- (b) any officer of either body of Commissioners; or
- (c) any other person who for the purposes of electronic communications is acting under the authority of either body of Commissioners.

Modifications etc. (not altering text)

C1 S. 132 modified (24.11.2002) by 2002 c. 22, s. 53, **Sch. 7 para 53**; S.I. 2002/2866, art. 2(1), **Sch. 1 Pt. 1**

Marginal Citations

M1 1984 c.12.

M2 1978 c.30.

133 Use of electronic communications under other provisions.

- (1) Without prejudice to section 132 above, where any power to make subordinate legislation for or in connection with the delivery of information or the making of payments is conferred in relation to any taxation matter on—

- (a) the Commissioners of Inland Revenue,
- (b) the Commissioners of Customs and Excise, or
- (c) the Treasury,

that power shall be taken (to the extent that it would not otherwise be so taken) to include power to make any such provision in relation to the delivery of that information or the making of those payments as could be made by any person by regulations in exercise of a power conferred by that section.

- (2) Provision made in exercise of the powers conferred by section 132 above or subsection (1) above shall have effect notwithstanding so much of any enactment or subordinate legislation as (apart from the provision so made) would require—

- (a) any information to be delivered, or
- (b) any amount to be paid,

in a form or manner that would preclude the use of electronic communications for its delivery or payment, or the use in connection with its delivery or payment of an intermediary.

- (3) Schedule 3A to the ^{M3}Taxes Management Act 1970 (electronic lodgment of tax returns etc.) shall cease to have effect.

- (4) Subsection (3) above shall come into force on such day as the Treasury may by order made by statutory instrument appoint; and different days may be appointed under this subsection for different purposes.

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- (5) Expressions used in this section and section 132 above have the same meanings in this section as in that section.

Modifications etc. (not altering text)

- C2** S. 133 modified (24.11.2002) by 2002 c. 22, s. 53, **Sch. 7 para. 53**; S.I. 2002/2866, art. 2(1), **Sch. 1 Pt. 1**

Commencement Information

- II** S. 133 partly in force: s. 133(1)(2)(4)(5) in force at Royal Assent, s. 133(3) not in force, see s. 133(4)

Marginal Citations

- M3** 1970 c.9.

Government borrowing etc.

134 The Debt Management Account.

- (1) Schedule 5A to the ^{M4}National Loans Act 1968 (the Debt Management Account) shall be amended in accordance with subsections (2) to (6) below.
- (2) In paragraph 1(2) (objects of the Treasury's operation of the Debt Management Account), after paragraph (b) there shall be inserted—
- “(ba) meeting any request to borrow money from the Treasury, made by the Bank of England;”.
- (3) After paragraph 5 there shall be inserted—

- “5A
- (1) Where the Treasury raise money by virtue of paragraph 4 above, they shall exercise their powers under this Schedule so as to secure that the principal amount is repaid within the period of one year beginning with the day on which the money was raised.
- (2) Nothing in sub-paragraph (1) above shall require the Treasury to repay any amount at any time when—
- (a) they are unable to obtain a good discharge for the repayment or they consider that there is a material risk that they would be unable to do so; or
- (b) it is impracticable to repay the amount.
- (3) Where—
- (a) by virtue of sub-paragraph (2) above, an amount is not repaid within the period mentioned in sub-paragraph (1) above, and
- (b) the case ceases to be one in relation to which sub-paragraph (2)(a) or (b) applies,
- the Treasury shall exercise their powers under this Schedule so as to secure that the amount is repaid as soon as is reasonably practicable.

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- (4) Any reference in this paragraph to the repayment of any amount includes a reference to the discharge by way of set-off of the Treasury's liability to repay that amount.”
- (4) In paragraph 9(1) (payments from Debt Management Account into National Loans Fund in respect of securities or Treasury bills), after “Treasury bills” there shall be inserted “ (other than bills issued by virtue of paragraph 4 above) ”.
- (5) In paragraph 13(1) (payment into Debt Management Account of sums in respect of payments of interest made from that Account), after “respect of” there shall be inserted “ (a) ” and after “the Account” there shall be inserted “, and
(b) any discount on any Treasury bills issued by virtue of paragraph 4 above.”
- (6) In paragraph 13(3) (payment into National Loans Fund in respect of payments of interest received or earned by the Debt Management Account), after “respect of” there shall be inserted “ (a) ” and after “the Account” there shall be inserted “, and
(b) any benefit accruing to the Account which, in the opinion of the Treasury, ought to be treated in the same way as such interest.”
- (7) In section 18 of the ^{M5}National Savings Bank Act 1971 (securities in which ordinary deposits may be invested), in paragraph (a), for the words “or on the National” to the end there shall be substituted “, on the National Loans Fund with recourse to the Consolidated Fund or on the Debt Management Account with recourse to the National Loans Fund and then to the Consolidated Fund, or ”.
- (8) Subsection (6) above has effect in relation to any benefit accruing to the Debt Management Account on or after 1st April 1999.

Marginal Citations

M4 1968 c.13.

M5 1971 c.29.

135 Lending by Revenue Accounts to National Loans Fund.

- (1) Where, at the close of business on any day, a sum stands to the credit of—
(a) the General Account of the Commissioners of Customs and Excise, or
(b) the General Account of the Commissioners of Inland Revenue,
that sum may be lent to the National Loans Fund on that day.
- (2) Subsection (1) above does not apply to any sum to the extent that it is required to be paid, on the day in question, in accordance with section 10 of the ^{M6}Exchequer and Audit Departments Act 1866.
- (3) A loan made by virtue of subsection (1) above shall be repaid before the close of business on the day after the loan is made or, where that day is not a business day, before the close of business on the next business day.
- (4) Subject to subsection (3) above, a loan made by virtue of subsection (1) above shall be made in such circumstances, and on such terms and conditions, as the Treasury may from time to time direct.

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- (5) In this section “business day” means any day other than—
- (a) a Saturday or Sunday;
 - (b) Good Friday or Christmas Day;
 - (c) a day which, in England and Wales, is a bank holiday under the ^{M7}Banking and Financial Dealings Act 1971;
 - (d) a day specified in an order under section 2(1) of that Act (days on which financial dealings are suspended) and declared by that order to be a non-business day for the purposes of this paragraph; or
 - (e) a day appointed by Royal proclamation as a public fast or thanksgiving day.

Marginal Citations

- M6** 1866 c.39.
M7 1971 c.80.

136 Definition of Government Stock.

- (1) The descriptions of stock and bonds specified in Part I of Schedule 11 to the ^{M8}Finance Act 1942 (description of Government stock and bonds to which the provisions of that Act regarding transfer and registration apply, and which by virtue of section 16(3) of the ^{M9}National Loans Act 1968 include descriptions of certain securities issued under that Act) do not include—
- (a) any securities (of whatever series) of any of the descriptions specified in subsection (2) below issued before 20th July 1998, or
 - (b) any securities issued on or after 20th July 1998 under the auspices of the Director of Savings.
- (2) The descriptions referred to in subsection (1) are—
- Defence Bonds;
 - National Development Bonds;
 - British Savings Bonds;
 - National Savings Indexed Income Bonds;
 - National Savings Income Bonds;
 - National Savings Deposit Bonds;
 - National Savings Capital Bonds;
 - Children’s Bonus Bonds;
 - National Savings FIRST Option Bonds;
 - National Savings Pensioners Guaranteed Income Bonds.
- (3) The modifications made by this section shall be deemed always to have had effect.

Marginal Citations

- M8** 1942 c.21.
M9 1968 c.13.

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137 National Savings Bank: disclosure of information.

The following shall be inserted after section 12(2) of the ^{M10}National Savings Bank Act 1971 (secrecy)—

“(2A) Subsection (1) above shall not prevent the disclosure, by a person authorised by the Director of Savings, of information to any person for a permitted purpose.

(2B) A permitted purpose is a purpose connected with the provision of information about—

- (a) the business of the National Savings Bank;
- (b) any other means by which money is raised under the auspices of, by or through the Director of Savings.

(2C) A person to whom information is disclosed in pursuance of subsection (2A) above shall not—

- (a) use the information for a purpose other than a permitted purpose;
- (b) disclose the information to any other person.”

Marginal Citations

M10 1971 c.29.

Supplemental

138 Interpretation.

In this Act “the Taxes Act 1988” means the Income and Corporation Taxes Act 1988.

139 Repeals.

- (1) The enactments mentioned in Schedule 20 to this Act (which include provisions that are spent or of no practical utility) are hereby repealed to the extent specified in the third column of that Schedule.
- (2) The repeals specified in that Schedule have effect subject to the commencement provisions and savings contained or referred to in the notes set out in that Schedule.

140 Short title.

This Act may be cited as the Finance Act 1999.

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