



# Finance (No. 2) Act 2005

## 2005 CHAPTER 22

### PART 5

#### MISCELLANEOUS MATTERS

#### **66 Vehicle excise duty: late renewal supplements**

- (1) VERA 1994 is amended as follows.
- (2) Section 7A (supplement payable on late renewal of vehicle licence) is amended as follows.
- (3) In subsection (1) (cases in which regulations may provide for supplement to be payable), for the words from “in prescribed cases” to the end substitute “where—
  - (a) a vehicle has ceased to be appropriately covered,
  - (b) the vehicle is not, before the end of the relevant prescribed period, appropriately covered as mentioned in paragraph (a) or (b) of subsection (1A) below with effect from the time immediately after it so ceased or appropriately covered as mentioned in paragraph (d) of that subsection, and
  - (c) the circumstances are not such as may be prescribed.”
- (4) After that subsection insert—
  - “(1A) For the purposes of this section and section 7B a vehicle is appropriately covered if (and only if)—
    - (a) a vehicle licence or trade licence is in force for or in respect of the vehicle,
    - (b) the vehicle is an exempt vehicle in respect of which regulations under this Act require a nil licence to be in force and a nil licence is in force in respect of it,
    - (c) the vehicle is an exempt vehicle that is not one in respect of which regulations under this Act require a nil licence to be in force, or

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- (d) the vehicle is neither kept nor used on a public road and the declarations and particulars required to be delivered by regulations under section 22(1D) have been delivered in relation to it in accordance with the regulations within the immediately preceding period of 12 months.
- (1B) Where a vehicle for or in respect of which a vehicle licence is in force is transferred by the holder of the vehicle licence to another person, the vehicle licence is to be treated for the purposes of subsection (1A) as no longer in force unless it is delivered to the other person with the vehicle.
- (1C) Where—
- (a) an application is made for a vehicle licence for any period, and
  - (b) a temporary licence is issued pursuant to the application,
- subsection (1B) does not apply to the licence applied for if, on a transfer of the vehicle during the currency of the temporary licence, the temporary licence is delivered with the vehicle to the transferee.
- (1D) In subsection (1)(b) “the relevant prescribed period” means such period beginning with the date on which the vehicle ceased to be appropriately covered as is prescribed.”
- (5) In subsection (2)(c) (amount of supplement variable according to length of period between expiry of licence and payment of supplement or renewal of licence), for subparagraphs (i) and (ii) substitute—
- “(i) the time of a notification (in accordance with regulations under section 7B(1)) to, or in relation to, a person by whom it is payable, and
  - (ii) the time at which it is paid.”
- (6) In subsection (3)(b) (supplement not to cease to be payable by reason of taking out of vehicle licence), for “a vehicle licence being taken out for the vehicle” substitute “the vehicle being again appropriately covered”.
- (7) Omit subsection (4)(a) (definition of “expiry of a vehicle licence”).
- (8) In the heading, for “late renewal of vehicle licence” substitute “vehicle ceasing to be appropriately covered”.
- (9) Section 7B (late-renewal supplements: further provisions) is amended as follows.
- (10) In subsection (1) (notification of person in whose name vehicle is registered)—
- (a) for “on non-renewal of a vehicle licence for” substitute “in relation to”, and
  - (b) for “failure to renew a vehicle licence” substitute “the vehicle ceasing to be appropriately covered”.
- (11) In the heading, for “Late-renewal” substitute “Section 7A”.

## **67 Reorganisation of water and sewerage services in Northern Ireland**

- (1) In this section “relevant transfer” means a transfer of property, rights or liabilities where—
- (a) the transfer is of property, rights or liabilities which—

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- (i) are specified or described in or determined in accordance with a scheme, and
    - (ii) consist of or include relevant property, rights or liabilities,
  - (b) the transfer is from a Northern Ireland department or persons which include a Northern Ireland department to a company or companies specified in the scheme (“transferee company”), and
  - (c) the transfer is effected by or under an enactment which—
    - (i) is made after the coming into force of this section, and
    - (ii) relates to the provision of water or sewerage services in Northern Ireland.
- (2) In this section “relevant property, rights or liabilities” means property, rights or liabilities connected with the provision of any water or sewerage services.
- (3) The Treasury may by regulations make provision for or in connection with varying the way in which a relevant tax or duty would, apart from the regulations, have effect in relation to, or in connection with, any of the following—
  - (a) anything done for the purpose of, or under or in consequence of, a relevant transfer of relevant property, rights or liabilities from a Northern Ireland department to a transferee company;
  - (b) any relevant property, rights or liabilities which are the subject of a relevant transfer from a Northern Ireland department to a transferee company;
  - (c) any relevant property, rights or liabilities of a transferee company.
- (4) The provision that may be made by the regulations includes provision for or in connection with any of the following—
  - (a) a tax provision not to apply or to apply with modifications in prescribed cases or circumstances;
  - (b) anything done to have or not to have a specified consequence for the purposes of a tax provision in prescribed cases or circumstances;
  - (c) any relevant property, rights or liabilities which are the subject of a relevant transfer from a Northern Ireland department to a transferee company to be treated in a specified way for the purposes of a tax provision in prescribed cases or circumstances;
  - (d) the withdrawal of relief (whether or not granted by virtue of the regulations), and the charging of tax, in prescribed cases or circumstances;
  - (e) requiring or enabling the Secretary of State, with the consent of the Treasury, to determine or to specify the method to be used for determining anything (including amounts or values, or times or periods of time) which needs to be determined for the purposes of any tax provision (whether or not modified by the regulations) as it applies in relation to, or in connection with,—
    - (i) anything done for the purpose of, or under or in consequence of, a relevant transfer of relevant property, rights or liabilities from a Northern Ireland department to a transferee company, or
    - (ii) any relevant property, rights or liabilities which are the subject of a relevant transfer from a Northern Ireland department to a transferee company.
- (5) A provision of regulations made by virtue only of subsection (3)(c) (“a subsection (3) (c) provision”) (whether or not also by virtue of subsection (4)) shall not have effect

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for an accounting period of a transferee company unless the company is wholly owned by the Crown during the whole of that accounting period.

- (6) Regulations under this section may provide that, for the purposes of a subsection (3) (c) provision, an accounting period of a transferee company shall be taken to have ended on the company ceasing to be wholly owned by the Crown.
- (7) For the purposes of this section, a company shall be regarded as wholly owned by the Crown at any time when each of the issued shares in the company is held by, or by a nominee of,—
- (a) the Treasury,
  - (b) the Secretary of State,
  - (c) a Northern Ireland department, or
  - (d) another company which is wholly owned by the Crown.
- (8) In this section—
- “enactment” includes a provision comprised in—
- (a) Northern Ireland legislation, or
  - (b) an instrument made under an enactment;
- “prescribed” means prescribed by or determined in accordance with regulations under this section;
- “relevant tax or duty” means income tax, corporation tax, capital gains tax, stamp duty or stamp duty reserve tax;
- “tax provision” means a provision of an enactment about a relevant tax or duty.
- (9) Any power to make regulations under this section is exercisable by statutory instrument.
- (10) A statutory instrument containing regulations under this section shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (11) Any power to make regulations under this section includes power—
- (a) to make different provision for different cases or circumstances;
  - (b) to make incidental, supplemental, consequential or transitional provision or savings.

## **68 EU Mutual Assistance Directive: notifications**

- (1) This section applies where, in accordance with Article 8a of the Mutual Assistance Directive, the competent authority of another member State (“the applicant authority”) requests the Commissioners for Her Majesty’s Revenue and Customs to notify an instrument to the person to whom the instrument is addressed.
- (2) The Commissioners must take the necessary measures to notify the instrument to that person.
- (3) The notification shall be given in accordance with the law applicable to notification of similar instruments in the part of the United Kingdom in which it is given.
- (4) The Commissioners must—
- (a) inform the applicant authority immediately of their response to the request, and

- (b) confirm to the applicant authority, as soon as is reasonably practicable, the date on which the instrument was notified to the person concerned.
- (5) The Commissioners may request additional information from the applicant authority for the purpose of giving the notification.
- (6) In this section “the Mutual Assistance Directive” means Council Directive [77/799/EEC](#) as amended (in particular by Council Directive [2004/56/EC](#)).
- (7) In this section references to the Commissioners for Her Majesty’s Revenue and Customs include, in relation to any time before 18th April 2005,—
  - (a) the Commissioners of Customs and Excise;
  - (b) the Commissioners of Inland Revenue.
- (8) In this section “instrument” means any instrument or decision which—
  - (a) emanates from the administrative authorities of the member State in which the applicant authority is situated, and
  - (b) concerns the application in that member State of legislation on taxes covered by the Mutual Assistance Directive.
- (9) This section has effect in relation to requests received by the Commissioners for Her Majesty’s Revenue and Customs on or after 1st January 2005.

## **69 Abolition of statutory adjudicator for National Savings and Investments**

- (1) After the coming into force of this section, no further disputes shall be referred to a person appointed under section 84 of the Friendly Societies Act [1992 \(c. 40\)](#) (adjudicator for disputes under the National Savings Bank Act 1971 and the National Debt Act 1972).
- (2) This section comes into force on 1st September 2005.