



# Finance Act 2012

## CHAPTER 14

### FINANCE ACT 2012

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##### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

#### CHAPTER 1

##### INCOME TAX AND CORPORATION TAX CHARGES AND RATE BANDS

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*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

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*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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- 1 In Part 10 of ITEPA 2003 (social security benefits), after...

#### *Consequential amendments*

- 2 In section 7 of TMA 1970 (notice of liability to...
- 3 After section 13 of the Social Security Administration Act 1992...
- 4 After section 11 of the Social Security Administration (Northern Ireland)...
- 5 (1) ITEPA 2003 is amended as follows.
- 6 (1) ITA 2007 is amended as follows.

#### *Commencement*

- 7 (1) The amendments made by this Schedule have effect for...

### SCHEDULE 2 — Profits arising from the exploitation of patents etc

#### PART 1 — AMENDMENTS OF CTA 2010

- 1 (1) In CTA 2010, after Part 8 insert— PART 8A...

#### PART 2 — AMENDMENTS OF TIOPA 2010

- 2 In Part 4 of TIOPA 2010 (transfer pricing), Chapter 3...
- 3 In section 166 (exemption for small and medium-sized enterprises), in...
- 4 After section 167 insert— Small enterprises: exception from exemption: transfer...
- 5 In section 170 (appeals against transfer pricing notices), in subsection...
- 6 In section 171 (tax returns where transfer pricing notice given),...

#### PART 3 — COMMENCEMENT AND TRANSITIONAL PROVISION

#### *Application*

- 7 (1) The amendments made by this Schedule have effect in...

#### *Special treatment of profits from patents etc to be phased in*

- 8 (1) In each of the financial years in the Table...

### SCHEDULE 3 — Relief for expenditure on R&D

#### *Introductory*

- 1 Part 13 of CTA 2009 (additional relief for expenditure on...

*Amount of relief for expenditure on R&D by small or medium-sized enterprises (“SMEs”)*

- 2 (1) Chapter 2 (relief for SMEs: cost of R&D incurred...

*Removal of R&D threshold*

- 3 (1) Chapter 2 (relief for SMEs: cost of R&D incurred...  
4 (1) Chapter 3 (relief for SMEs: R&D sub-contracted to SME)...  
5 (1) Chapter 4 (relief for SMEs: subsidised and capped expenditure...  
6 (1) Chapter 5 (relief for large companies) is amended as...  
7 (1) Chapter 7 (relief for SMEs and large companies: vaccine...  
8 In consequence of the amendments made by paragraphs 3 to...

*Company not a going concern when in administration or liquidation*

- 9 Chapter 2 (relief for SMEs: cost of R&D incurred by...  
10 (1) Section 1046 (relief only available where company is going...  
11 (1) Section 1057 (tax credit only available where company is...  
12 Chapter 7 (relief for SMEs and large companies: vaccine research...  
13 (1) Section 1094 (relief only available to SME where company...  
14 (1) Section 1106 (tax credit only available where company is...

*Removal of limit on amount of tax credit based on PAYE and NIC liabilities*

- 15 (1) Chapter 2 (relief for SMEs: cost of R&D incurred...

*Abolition of vaccine research relief for SMEs*

- 16 (1) Section 1039 (overview of Part 13) is amended as...  
17 In section 1042 (“relevant research and development”), in  
subsection (3),...  
18 In section 1046 (relief only available where company is going...  
19 In section 1057 (tax credit only available where company is...  
20 Chapter 7 (relief for SMEs and large companies: vaccine research...  
21 (1) Section 1085 (overview of Chapter) is amended as follows...  
22 (1) Section 1087 (deduction in calculating profits of trade) is...  
23 (1) In section 1088 (large companies: declaration about effect of...  
24 Omit sections 1089 and 1090 (which relate only to SMEs)...  
25 (1) In section 1091 (large companies: amount of deduction), in...  
26 Omit sections 1092 to 1096 and 1099 (which relate only...  
27 (1) In section 1100 (large companies: qualifying expenditure “for” an...  
28 Omit sections 1103 to 1111 (tax credits).  
29 (1) Section 1112 (artificially inflated claims for relief or tax...  
30 The heading of Chapter 7 becomes “Relief for large...  
31 (1) Chapter 8 (cap on aid for R&D) is amended...  
32 In consequence of the amendments made by paragraphs 16 to...

*Qualifying expenditure on externally provided workers*

- 33 Chapter 9 (supplementary) is amended as follows.  
34 (1) Section 1128 (“externally provided worker”) is amended as  
follows...  
35 (1) Section 1129 (connected persons) is amended as follows.  
36 (1) Section 1130 (election for connected persons treatment) is  
amended...

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- 37 In section 1131 (qualifying expenditure on externally provided workers: other...

*Application*

- 38 The amendments made by paragraphs 2 and 16 to 37...  
39 The amendments made by paragraphs 3 to 8 and 15...  
40 The amendments made by paragraphs 9 to 14 have effect...

SCHEDULE 4 — Real estate investment trusts

*Introduction*

- 1 Part 12 of CTA 2010 (real estate investment trusts) is...

*Being a UK REIT: conditions for company - close companies*

- 2 (1) Section 525 (becoming a UK REIT: supplementary provision) is...  
3 In section 527 (being a UK REIT in relation to...  
4 (1) Section 528 (conditions for company) is amended as follows...  
5 In section 558 (demergers: disposal of asset) in subsections (3)...  
6 In section 559 (demergers: company leaving group UK REIT) in...  
7 In section 561 (notice of breach of relevant Chapter 2...  
8 (1) Section 562 (breach of conditions C and D in...  
9 After section 562 insert— Breach of condition D in section...  
10 (1) Section 572 (termination by notice given by HMRC) is...  
11 After section 573 insert— Notice under section 572: condition D...  
12 (1) Section 577 (multiple breaches of conditions in Chapter 2)...  
13 (1) The amendments made by paragraph 2 have effect in...

*Being a UK REIT: conditions for company - trading of shares on recognised stock exchange*

- 14 In section 527 (being a UK REIT in relation to...  
15 In section 528 (conditions for company) in subsection (3) for...  
16 After section 528 insert— Further condition relating to shares (1) In the case of a group UK REIT, the...  
17 In section 561 (notice of breach of relevant Chapter 2...  
18 Before section 563 insert— Breach of further condition relating to...  
19 (1) Section 572 (termination by notice given by HMRC) is...  
20 Before section 574 insert— Notice under section 572: further condition...  
21 (1) Subject to what follows, the amendments made by paragraphs...

*Being a UK REIT: condition as to distribution of profits*

- 22 In section 530 (condition as to distribution of profits) in...  
23 After section 530 insert— Condition as to distribution of profits:...  
24 In section 564 (breach of condition as to distribution of...  
25 (1) Section 565 (which defines the amount to be charged...  
26 (1) The amendment made by paragraph 22 has effect in...

*Being a UK REIT: conditions as to balance of business*

- 27 (1) Section 531 (conditions as to balance of business) is...  
28 In section 547 (funds awaiting reinvestment) omit subsection (3).  
29 (1) Section 566 (breach of condition B in section 531...

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- 30 Omit section 567 (breach of condition B in section 531...
- 31 In section 568 (breach of balance of business conditions after...
- 32 (1) The amendments made by paragraphs 27, 28 and 31...

*Abolition of entry charge*

- 33 (1) Omit sections 538 to 540 (entry charge).
- 34 (1) In section 545 (cancellation of tax advantage) in subsection...
- 35 (1) In section 556 (disposal of assets) omit subsection (4)...
- 36 (1) In section 558 (demergers: disposal of asset) in subsection...
- 37 In section 559 (demergers: company leaving group UK REIT) in...
- 38 In section 583 (overview of Chapter 10 relating to joint...
- 39 Omit sections 595 to 597 (additional entry charges in cases...

*Financing cost ratio*

- 40 (1) Section 543 (financing cost ratio) is amended as follows...
- 41 (1) Section 544 (meaning of “property financing costs” etc) is...
- 42 The amendments made by paragraphs 40 and 41 have effect...

*Disposal of assets*

- 43 (1) Section 556 (disposal of assets) is amended as follows...
- 44 The amendments made by paragraph 43 have effect in relation...

SCHEDULE 5 — Tax treatment of financing costs and income

- 1 Part 7 of TIOPA 2010 (tax treatment of financing costs...
- 2 In section 262 (UK net debt of worldwide group for...
- 3 In section 276 (disallowance of deductions: appointment of authorised company...
- 4 In section 280 (statement of allocated disallowances: requirements), after subsection...
- 5 In section 288 (exemption of financing income: appointment of authorised...
- 6 In section 292 (statement of allocated exemptions: requirements), after subsection...
- 7 In section 296 (failure of reporting body to submit statement...
- 8 In Chapter 6 (tax avoidance), before section 306 insert— Schemes...
- 9 (1) Section 313 (the financing expense amounts of a company)...
- 10 (1) Section 314 (the financing income amounts of a company)...
- 11 In section 316 (group treasury companies), omit subsection (4).
- 12 (1) Section 329 (the tested expense amount) is amended as...
- 13 (1) Section 330 (the tested income amount) is amended as...
- 14 After section 331 insert— Elections disapplying sections 329(5) and 330(5)...
- 15 (1) Section 337 (meaning of “the worldwide group”) is amended...
- 16 (1) In section 339 (meaning of “ultimate parent”), subsection (1)...
- 17 In section 348 (non-existent financial statements of the worldwide group),...
- 18 After section 348 insert— Financial statements: business combinations to which...
- 19 In section 351 (expressions taking their meaning from international accounting...
- 20 In section 353 (other expressions), at the appropriate place insert—...

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- 21 After section 353A insert— Power to make regulations where accounting...
- 22 (1) The amendment made by paragraph 21 has effect in...

SCHEDULE 6 — Seed enterprise investment scheme

PART 1 — THE SCHEME

- 1 In ITA 2007, after Part 5 (enterprise investment scheme) insert—...
- PART 2 — RELIEF FOR CAPITAL GAINS

*Introductory*

- 2 TCGA 1992 is amended as follows.

*Disposal of shares to which SEIS relief is attributable*

- 3 Before section 151 insert— Seed enterprise investment scheme (1) For the purpose of determining the gain or loss...

*Seed enterprise investment scheme: re-investment relief*

- 4 After section 150F (inserted by paragraph 3 of this Schedule)...
- 5 After Schedule 5B insert— SCHEDULE 5BB Seed enterprise investment scheme:...
- PART 3 — CONSEQUENTIAL AMENDMENTS

*ITA 2007*

- 6 ITA 2007 is amended as follows.
- 7 In section 2 (overview of Act), after subsection (5) insert—...
- 8 In section 26 (tax reductions), in subsection (1)(a), after the...
- 9 In section 27 (order of deducting tax reductions: individual), in...
- 10 In section 169 (directors qualifying for relief despite connection), in...
- 11 In section 172 (overview of Chapter 3), after paragraph (aa)...
- 12 In section 173A (enterprise investment scheme: maximum amount raised annually)...
- 13 After that section insert— The spending of money raised by...
- 14 (1) Section 246 (identification of shares on a disposal) is...
- 15 In section 286 (qualifying holdings: introduction), in subsection (3), after...
- 16 In section 292A (venture capital trusts: maximum amount raised annually)...
- 17 After that section insert— The spending of money raised by...
- 18 (1) Schedule 4 (index of defined expressions) is amended as...

*TCGA 1992*

- 19 TCGA 1992 is amended as follows.
- 20 (1) Section 150A (enterprise investment scheme) is amended as follows....
- 21 (1) Section 150B (enterprise investment scheme: reduction of relief) is...
- 22 In Schedule 5B (enterprise investment scheme: re-investment), in paragraph 2...

*TMA 1970*

- 23 In section 98 of TMA 1970 (special returns, etc)—



PART 4 — COMMENCEMENT

24 (1) Subject to sub-paragraphs (2) and (3), the amendments made...

SCHEDULE 7 — Enterprise investment scheme

PART 1 — ENTERPRISE INVESTMENT SCHEME

*Introduction*

1 Part 5 of ITA 2007 (enterprise investment scheme) is amended...

*Minimum subscription*

2 In section 157 (eligibility for EIS relief), omit subsections (2)...

*Increase in amount of relief*

3 (1) In section 158 (form and amount of EIS relief),...

*Loan capital*

4 In section 170 (person interested in capital etc of company)—...

*Overview of Chapter 3*

5 In section 172 (overview of Chapter 3), omit the “and”...

*Relaxation of the shares requirement*

6 (1) Section 173 (the shares requirement) is amended as follows....

*Increase in the maximum amount permitted to be raised annually*

7 (1) Section 173A (the maximum amount raised annually through risk...

*Acquisition of shares or stock*

8 In section 175 (the use of the money raised requirement),...

*No disqualifying arrangements requirement*

9 After section 178 insert— The no disqualifying arrangements requirement (1) The relevant shares must not be issued, nor any...

*Meaning of “qualifying business activity”*

10 In section 179 (meaning of “qualifying business activity”), in subsection...

*Increase in the gross assets limits*

11 In section 186 (the gross assets requirement)—

*Relaxation of restriction on number of employees*

12 .....

*Subsidised generation or export of electricity*

13 (1) Section 192 (meaning of “excluded activities”) is amended as...

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- 14 After section 198 insert— Excluded activities: subsidised generation or export...

- 15 In section 199 (excluded activities: provision of services or facilities...

*Powers to amend*

- 16 In section 200 (power to amend by Treasury order), the...

*Disposal of shares*

- 17 In section 209 (disposal of shares), after subsection (5) insert—...

*Date from which interest is chargeable*

- 18 In section 239 (date from which interest is chargeable), in...

*Information*

- 19 In section 243 (power to require information in other cases)—...

*Approved investment fund as nominee*

- 20 In section 251 (approved investment fund as nominee), omit subsection...

*Interpretation*

- 21 In section 257 (minor definitions etc), in subsection (1), for...

*Commencement and transitional provision*

- 22 (1) The amendments made by paragraphs 2 to 6, 7(1)...

- 23 (1) The amendments made by paragraphs 7(2), 11 and 12...

- 24 (1) Subject to sub-paragraph (2), the amendments made by paragraphs...

- 25 (1) The amendment made by paragraphs 18 and 21 are...

PART 2 — ENTERPRISE INVESTMENT SCHEME: CHARGEABLE GAINS

*Introduction*

- 26 TCGA 1992 is amended as follows.

*Disposal of shares to which EIS relief is attributable*

- 27 In section 150A (disposal of shares to which EIS relief...

- 28 Accordingly, in Schedule 1 to FA 2008, paragraph 48 is...

*Maximum annual investment*

- 29 In paragraph 1 of Schedule 5B to the TCGA 1992...

*No disqualifying arrangements*

- 30 After paragraph 11 insert— Disqualifying arrangements (1) Where an individual subscribes for eligible shares (“the shares”)...

*Information*

- 31 In paragraph 16 (information)— (a) in sub-paragraph (6), for “or...

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*Meaning of “arrangements”*

32 In paragraph 19 (interpretation), in sub-paragraph (1) for the definition...

*Commencement*

33 (1) The amendment made by paragraph 29 comes into force...

34 (1) The amendments made by paragraphs 27, 28, 30 and...

35 The amendment made by paragraph 32 is treated as having...

SCHEDULE 8 — Venture capital schemes

*Introduction*

1 Part 6 of ITA 2007 (venture capital trusts) is amended...

*VCT approvals*

2 (1) Section 274 (requirements for the giving of approval) is...

3 After section 280A insert— The investment limits condition (1) This section applies for the purposes of the investment...

*Qualifying holdings: introduction*

4 In section 286 (qualifying holdings: introduction), in subsection (3), omit...

*Relaxation of maximum qualifying investment requirement*

5 (1) Section 287 (maximum qualifying investment requirement) is amended as...

*Increase in the maximum amount permitted to be raised annually*

6 (1) Section 292A (the maximum amount raised annually through risk...

*Acquisition of shares*

7 In section 293 (the use of the money raised requirement),...

*Increase in the gross assets limits*

8 In section 297 (the gross assets requirement)—

*Relaxation of restriction on number of employees*

9 .....

*No disqualifying arrangements requirement*

10 After section 299 insert— The no disqualifying arrangements requirement (1) The relevant holding must not have been issued, nor...

*Subsidised generation or export of electricity*

11 (1) Section 303 (meaning of “excluded activities”) is amended as...

12 After section 309 insert— Excluded activities: subsidised generation or export...

13 In section 310 (excluded activities: provision of services or facilities...

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*Powers to amend*

- 14 In section 311 (power to amend Chapter by Treasury order),...

*Information*

- 15 After section 312 insert— Power to require information relating to...  
16 In section 313 (interpretation of Chapter 4), in subsection (5),...

*Consequential amendment*

- 17 In section 98 of TMA 1970 (special returns, etc), in...

*Commencement and transitional provision*

- 18 (1) The amendments made by paragraphs 2 and 3 have...  
19 (1) The amendments made by paragraphs 4, 5, 6(1) and...  
20 (1) The amendments made by paragraphs 6(2), 8 and 9...  
21 (1) Paragraph 7 is to be treated as having come...  
22 (1) Subject to sub-paragraph (2), the amendments made by paragraphs...

SCHEDULE 9 — Capital allowances for plant and machinery: anti-avoidance

*Transactions to obtain allowances*

- 1 For section 215 of CAA 2001 substitute— Transactions to obtain...

*Restrictions on writing-down allowances*

- 2 In section 57(3) of CAA 2001 (available qualifying expenditure), after...  
3 In section 214 of that Act (connected persons), after “218”...  
4 In section 216 of that Act (sale and leaseback, etc),...  
5 (1) Section 218 of that Act (restriction on B's qualifying...  
6 After section 218 of that Act insert— Restrictions on writing-down...

*Restriction of exception for manufacturers and suppliers*

- 7 (1) Section 230 of CAA 2001 (exception for manufacturers and...

*Relevant transactions*

- 8 After section 268D of CAA 2001 insert— Meaning of “assigns”...

*Commencement*

- 9 (1) The amendments made by paragraphs 1 to 7 of...

SCHEDULE 10 — Plant and machinery allowances: fixtures

*Introductory*

- 1 CAA 2001 is amended as follows.

*Changes in ownership*

- 2 After section 187 insert— Effect of changes in ownership of...  
3 In section 198 (election to apportion sale price on sale...  
4 (1) Section 201 (elections under sections 198 and 199: procedure)...

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

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- 5 (1) In section 563 (procedure for determining certain questions affecting...

*Fixtures on which business premises renovation allowance has been made*

- 6 After section 186 insert— Fixtures on which a business premises...  
7 In section 9 (interaction between fixtures claims and other claims),...  
8 In section 57 (available qualifying expenditure), in subsection (3), after...  
9 In section 198 (election to apportion sale price on sale...  
10 In section 199 (election to apportion capital sum given by...

*Commencement and transitionals*

- 11 The amendments made by paragraphs 2 to 5 have effect—...  
12 The amendments made by paragraph 6 to 10 have effect—...  
13 (1) Where (ignoring this sub-paragraph) plant or machinery would be...

SCHEDULE 11 — Expenditure on plant and machinery for use in designated assisted areas

- 1 CAA 2001 is amended as follows.  
2 In section 39 (first-year allowances available for certain types of...  
3 After section 45J insert— Expenditure on plant and machinery for...  
4 In section 46 (general exclusions applying to first-year qualifying expenditure),...  
5 (1) Section 52 (first-year allowances) is amended as follows.  
6 In section 52A (prevention of double relief) for the words...  
7 (1) In Chapter 16B (cap on first-year allowances: zero-emission goods...  
8 The amendments made by this Schedule have effect for chargeable...

SCHEDULE 12 — Foreign income and gains

PART 1 — INCREASED REMITTANCE BASIS CHARGE

*Increased charge*

- 1 Chapter A1 of Part 14 of ITA 2007 (remittance basis)...  
2 (1) Section 809C (claim for remittance basis by long-term UK...  
3 (1) Section 809H (claim for remittance basis by long-term UK...  
4 For section 809V substitute— Money paid to the Commissioners (1) Subsection (2) applies to income or chargeable gains of...

*Application of Part 1*

- 5 The amendments made by this Part of this Schedule have...  
PART 2 — REMITTANCE FOR INVESTMENT PURPOSES

*Relief for investments*

- 6 For the italic heading preceding section 809V substitute “Relief...  
7 After section 809V insert— Business investment relief Money or other...  
8 After the sections inserted by paragraph 7 insert the heading...  
9 Immediately before section 809X insert the heading “Exempt property relief”....

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

*Formerly exempt property used to make investment*

- 10 In section 809Y (property that ceases to be exempt property...
- 11 In section 809Z2 (personal use rule), in subsection (2), omit...
- 12 In section 809Z4 (temporary importation rule), in subsection (3)—

*Interpretation provisions*

- 13 In section 809M (meaning of “relevant person”), in subsection (1),...
- 14 In section 809Z7 (interpretation of Chapter), omit subsection (7).
- 15 For the heading of that section substitute “ Meaning of...
- 16 After that section insert— Meaning of “the disposal proceeds” (1) In this Chapter, in relation to a sale or...

*Application of Part 2*

- 17 The amendments made by this Part of this Schedule have...
- PART 3 — SALES OF EXEMPT PROPERTY

*Relief from deemed remittance rule*

- 18 After section 809Y of ITA 2007 (property that ceases to...

*Application of Part 3*

- 19 The amendment made by this Part of this Schedule has...
- PART 4 — NOMINATED INCOME

*Disapplication of ordering rules*

- 20 (1) Section 809I of ITA 2007 (remittance basis charge: income...

*Application of Part 4*

- 21 The amendments made by this Part of this Schedule have...

SCHEDULE 13 — Employer asset-backed pension contributions etc

PART 1 — DENIAL OF RELIEF FOR CONTRIBUTIONS PAID DURING PERIOD 29  
NOVEMBER 2011 TO 21 FEBRUARY 2012

- 1 In Chapter 4 of Part 4 of FA 2004 (registered...
  - 2 In section 280(1) of FA 2004 (abbreviations)—
  - 3 (1) The amendment made by paragraph 1 above has effect...
- PART 2 — TRANSITIONAL PROVISION RELATING TO PART 1

*Application and interpretation*

- 4 (1) This Part of this Schedule applies if—
- 5 For the purposes of this Part of this Schedule—
- 6 (1) This paragraph applies for the purposes of this Part...
- 7 (1) In this Part of this Schedule “the completion day”...
- 8 (1) The events falling within this paragraph are those listed...

*Certain tax consequences not to have effect*

- 9 (1) This paragraph applies if— (a) the section which would...
- 10 (1) This paragraph applies if— (a) the section which would...
- 11 (1) This paragraph applies if— (a) the section which would...

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

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### *Adjustments*

- 12 (1) For the purposes of paragraphs 13 and 14—  
13 (1) This paragraph applies if amount A exceeds the sum...  
14 If the sum of amounts B and C exceeds amount...  
PART 3 — DENIAL OF RELIEF FOR CONTRIBUTIONS PAID ON OR AFTER 22  
FEBRUARY 2012  
15 In Chapter 4 of Part 4 of FA 2004 (registered...  
16 In section 280(1) of FA 2004 (abbreviations)—  
17 (1) Subject to what follows, the amendments made by paragraphs...  
PART 4 — TRANSITIONAL PROVISION RELATING TO PART 3

### *Application and interpretation*

- 18 (1) This Part of this Schedule applies if—  
19 For the purposes of this Part of this Schedule—  
20 (1) This paragraph applies for the purposes of this Part...  
21 (1) In this Part of this Schedule “the completion day”...  
22 (1) The events falling within this paragraph are those listed...

### *Certain tax consequences not to have effect*

- 23 (1) This paragraph applies if— (a) the section which would...  
24 (1) This paragraph applies if— (a) the section which would...  
25 (1) This paragraph applies if— (a) the section which would...  
26 (1) This paragraph applies if, apart from this Part of...  
27 (1) This paragraph applies if, apart from this Part of...  
28 (1) Section 196G of FA 2004 (as inserted by paragraph...

### *Adjustments*

- 29 (1) For the purposes of paragraphs 30 and 31—  
30 (1) This paragraph applies if amount A exceeds the sum...  
31 If the sum of amounts B and C exceeds amount...  
PART 5 — OTHER PROVISION RELATING TO FINANCE ARRANGEMENTS

### *Chapter 5B of Part 13 of ITA 2007*

- 32 Chapter 5B of Part 13 of ITA 2007 (finance arrangements)...  
33 In section 809BZA (type 1 finance arrangements: definition) after  
subsection...  
34 (1) Section 809BZF (type 2 finance arrangements: definition) is  
amended...  
35 In section 809BZH (type 2 finance arrangements: certain tax  
consequences...  
36 In section 809BZJ (type 3 finance arrangements: definition) after  
subsection...

### *Chapter 2 of Part 16 of CTA 2010*

- 37 Chapter 2 of Part 16 of CTA 2010 (finance arrangements)...  
38 In section 758 (type 1 finance arrangements: definition) after  
subsection...  
39 (1) Section 763 (type 2 finance arrangements: definition) is amended...  
40 In section 765 (type 2 finance arrangements: certain tax consequences...

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- 41 In section 767 (type 3 finance arrangements: definition) after subsection...

*Commencement*

- 42 (1) Subject to what follows, the amendments made by paragraphs...

SCHEDULE 14 — Gifts to the nation  
PART 1 — INTRODUCTION

*Qualifying gifts*

- 1 (1) For the purposes of this Schedule, a person makes...  
PART 2 — INCOME TAX AND CAPITAL GAINS TAX

*Taxes affected*

- 2 (1) This Part applies to an individual's liability to income...

*The basic rule*

- 3 (1) If an individual (“N”) makes a qualifying gift, a...

*The portion treated as satisfied*

- 4 (1) The portion of N's tax liability for a relevant...

*Order in which benefit is applied*

- 5 (1) If the tax reduction figure allocated to a relevant...

*Effect of basic rule on interest and penalties*

- 6 (1) This paragraph explains the effect of paragraph 3(1) as...

*Changes to N's tax liability*

- 7 (1) If the amount of N's tax liability for a...

*Gifts set aside etc*

- 8 If a qualifying gift is set aside or declared void...

*Suspension pending negotiations*

- 9 (1) An individual who makes an offer in the circumstances...  
10 (1) Suspension under paragraph 9 of a potential donor's obligation...

*Conclusion of negotiations*

- 11 (1) This paragraph applies if a potential donor's obligation to...  
PART 3 — CORPORATION TAX

*Taxes affected*

- 12 (1) This Part applies to a company's liability to corporation...



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*The basic rule*

- 13 (1) If a company (“C”) makes a qualifying gift, a...

*The portion treated as satisfied*

- 14 (1) The portion of C's tax liability for the relevant...

*Effect of basic rule on interest and penalties*

- 15 (1) This paragraph explains the effect of paragraph 13 as...

*Changes to C's tax liability*

- 16 (1) If the amount of C's tax liability for the...

*Gifts set aside etc*

- 17 If a qualifying gift is set aside or declared void...

*Suspension pending negotiations*

- 18 (1) A company that makes an offer in the circumstances...  
19 (1) Suspension under paragraph 18 of a potential donor's obligation...

*Conclusion of negotiations*

- 20 (1) This paragraph applies if a potential donor's obligation to...  
PART 4 — GENERAL PROVISION

*Orders*

- 21 (1) An order under Part 2 or 3 of this...

*Pre-eminent property*

- 22 (1) In this Schedule, “pre-eminent property” means—

*The relevant Minister*

- 23 (1) For the purposes of paragraph 22, “the relevant Minister”...

*General interpretation*

- 24 In this Schedule— “the Commissioners” means the Commissioners for Her...  
25 Nothing in this Schedule is to give rise to any...  
PART 5 — RELATED CHANGES

*IHTA 1984*

- 26 IHTA 1984 is amended as follows.  
27 In section 25 (gifts for national purposes etc), after subsection...  
28 In section 26A (potentially exempt transfer of property subsequently held...  
29 (1) Section 32 (conditionally exempt transfers: chargeable events) is amended...  
30 (1) Section 32A (associated properties) is amended as follows.  
31 In section 33 (amount of charge under section 32), in...

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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- 32 In section 34 (reinstatement of transferor's cumulative total), in subsection...
- 32A (1) This paragraph applies where a person (“ the donor...

*Estate duty etc*

- 33 (1) This paragraph applies if a person makes a qualifying...

*TCGA 1992*

- 34 In section 258 of TCGA 1992 (works of art etc),...

*ITA 2007*

- 35 In Chapter A1 of Part 14 of ITA 2007 (income...

PART 6 — COMMENCEMENT

- 36 (1) Parts 2 and 3 of this Schedule have effect...

SCHEDULE 15 — Relief in respect of gift aid and other income

*Claims by charitable trusts etc*

- 1 (1) In Part 10 of ITA 2007 (special rules about...

*Claims by charitable companies etc*

- 2 Part 11 of CTA 2010 (charitable companies etc) is amended...
- 3 (1) In Chapter 2 (gifts and other payments), section 477A...
- 4 In Chapter 3 (other exemptions), after section 491 insert— Claims...

*Community amateur sports clubs: gift aid and other income*

- 5 Chapter 9 of Part 13 of CTA 2010 (special types...
- 6 After section 661C insert— Gifts qualifying for gift aid relief...
- 7 After section 665 insert— Claims Claims in relation to interest...
- 8 In consequence of the provision made by paragraph 6, in...

*Treatment of income tax deducted or repaid*

- 9 In section 59B of TMA 1970 (payment of income tax...
- 10 (1) Section 967 of CTA 2010 (set-off of income tax...

*Administration of claims under ITA 2007*

- 11 (1) Section 42 of TMA 1970 (procedure for making claims...
- 12 In consequence of the amendments made by paragraph 11, in...

*Administration of claims under CTA 2010*

- 13 Schedule 18 to FA 1998 (company tax returns, assessments and...
- 14 (1) Paragraph 9 (claims that cannot be made without a...
- 15 (1) Paragraph 57 (claims or elections affecting a single accounting...
- 16 In consequence of the amendments made by paragraphs 14 and...

*Application*

- 17 (1) The amendments made by paragraphs 1 to 4 and...

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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## SCHEDULE 16 — Part 2: minor and consequential amendments

### PART 1 — AMENDMENTS OF ICTA

- 1 ICTA is amended as follows.
- 2 Omit section 76 (expenses of insurance companies).
- 3 Omit section 76ZA (payments for restrictive undertakings).
- 4 Omit section 76ZB (seconded employees).
- 5 Omit sections 76ZC to 76ZE (counselling and retraining expenses).
- 6 Omit sections 76ZF to 76ZJ (redundancy payments etc).
- 7 Omit section 76ZK (contributions to local enterprise organisations or urban...)
- 8 Omit sections 76ZL and 76ZM (unpaid remuneration).
- 9 Omit section 76ZN (car hire).
- 10 In section 95ZA(3) (taxation of UK distributions received by insurance...)
- 11 Omit section 431 (interpretative provisions relating to insurance companies).
- 12 Omit section 431ZA (election for assets not be foreign business...)
- 13 Omit section 431A (amendment of Chapter etc).
- 14 Omit section 431B (meaning of “pension business”).
- 15 Omit section 431BA (meaning of “child trust fund business”).
- 16 Omit section 431BB (meaning of “individual savings account business”).
- 17 Omit section 431C (meaning of “life reinsurance business”).
- 18 Omit sections 431D and 431E (meaning of “overseas life assurance...)
- 19 Omit section 431EA (meaning of “gross roll-up business”).
- 20 Omit section 431F (meaning of “basic life assurance and general...)
- 21 Omit section 431G (company carrying on life assurance business).
- 22 Omit section 431H (company carrying on life assurance business and...)
- 23 Omit section 432YA (PHI business — adjustment consequent of change...)
- 24 Omit section 432ZA (linked assets).
- 25 Omit section 432A (apportionment of income and gains).
- 26 Omit section 432AA (property businesses).
- 27 Omit section 432AB (losses from property businesses).
- 28 Omit sections 432B to 432G (apportionment of receipts brought into...)
- 29 Omit section 434 (franked investment income etc).
- 30 Omit section 434A (computation of losses and limitation on relief)....
- 31 Omit sections 434AZA to 434AZC (reduced loss relief for additions...)
- 32 Omit section 436A (gross roll-up business: separate charge on profits)....
- 33 Omit section 436B (gains referable to gross-roll up business not...)
- 34 Omit sections 437 and 437A (general annuity business).
- 35 Omit section 438 (pension business: exemption from tax).
- 36 Omit section 440 (transfers of assets etc).
- 37 Omit section 440A (securities).
- 38 Omit section 440B (modifications where tax charged under s.35 of...)
- 39 Omit section 440C (modifications for change of tax basis).
- 40 Omit section 440D (modifications in relation to BLAGAB group reinsurers)....
- 41 Omit section 442 (overseas business of UK companies).
- 42 Omit section 442A (taxation of investment return where risk reinsured)....
- 43 Omit sections 444A to 444AED (transfers of business).
- 44 Omit sections 444AF to 444AL (surpluses of mutual and former...)

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- 45 In Schedule 15 (qualifying policies), in paragraph 24(3)(a), for “section...”
- 46 Omit Schedule 19ABA (modifications in relation to BLAGAB group reinsurers)...
- PART 2 — AMENDMENTS OF FA 1989
- 47 FA 1989 is amended as follows.
- 48 In section 67(2) (employee share ownership trusts), for paragraph (b)...
- 49 Omit section 82 (calculation of profits: bonuses etc).
- 50 Omit section 82A (calculation of profits: policy holders' tax).
- 51 Omit section 82B (unappropriated surplus on valuation).
- 52 Omit sections 82D to 82F (treatment of profits: life assurance...)
- 53 Omit section 83 (receipts to be taken into account).
- 54 Omit section 83XA (structural assets).
- 55 Omit sections 83YA and 83YB (changes in value of assets...)
- 56 Omit sections 83YC to 83YF (FAFIS).
- 57 Omit section 83A (meaning of “brought into account”).
- 58 Omit section 83B (changes in recognised accounts: attribution of amounts...)
- 59 Omit section 85 (charge of certain receipts of basic life...)
- 60 Omit section 85A (excess adjusted life assurance trade profits).
- 61 Omit section 86 (spreading of relief for acquisition expenses).
- 62 Omit section 88 (corporation tax: policy holders' share of profits)....
- 63 Omit section 89 (policy holders' share of profits).
- PART 3 — AMENDMENTS OF OTHER ACTS

*Finance Act 1950*

- 64 FA 1950 is amended as follows.
- 65 In section 39(3)(b)(ii) (treatment for taxation purposes of enemy debts...

*Taxes Management Act 1970*

- 66 TMA 1970 is amended as follows.
- 67 (1) Section 98 (special returns) is amended as follows.

*Inheritance Tax Act 1984*

- 68 IHTA 1984 is amended as follows.
- 69 In section 59(3)(b) (qualifying interest in possession), for “Chapter I...

*Finance Act 1991*

- 70 FA 1991 is amended as follows.
- 71 In paragraph 16(1) of Schedule 7 (transitional relief for old...

*Taxation of Chargeable Gains Act 1992*

- 72 TCGA 1992 is amended as follows.
- 73 In section 10B (non-resident company with United Kingdom permanent establishment),...
- 74 In section 100(2B)(a) (exemption for authorised unit trusts etc), for...
- 75 In section 140C (transfer or division of non-UK business), omit...
- 76 In section 151I(1) (meaning of “financial institution”)—
- 77 (1) Section 171C (elections under s.171A: insurance companies) is amended...

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- 78 In section 185 (deemed disposal of assets on company ceasing...  
79 In section 204(10)(a) (policies of insurance and non-deferred annuities),  
for...  
80 (1) Section 210A (ring-fencing of losses) is amended as follows...  
81 (1) Section 210B (disposal and acquisition of section 440A securities)...  
82 In section 210C(2) (losses on disposal of authorised investment fund...  
83 (1) Section 211 (transfers of business) is amended as follows...  
84 In section 211ZA(10) (transfers of business: transfer of unused  
losses),...  
85 (1) Section 212 (annual deemed disposal of holdings of unit...  
86 (1) Section 213 (spreading of gains and losses under section...  
87 After section 213 insert— Power to modify ss.212 and 213...  
88 (1) Schedule 7AC (exemptions for disposals by companies with  
substantial...  
89 In paragraph 1 of Schedule 7AD (gains of insurance company...

*Finance Act 1993*

- 90 FA 1993 is amended as follows.  
91 In section 91 (deemed disposals of unit trusts by insurance...

*Finance Act 1999*

- 92 FA 1999 is amended as follows.  
93 In section 81(8) (acquisitions disregarded under insurance companies  
concession), in...

*Capital Allowances Act 2001*

- 94 CAA 2001 is amended as follows.  
95 In section 19(5) (special leasing of plant or machinery), for...  
96 In the italic heading before section 254, for “Life assurance”...  
97 In section 254(1) (introductory), for “life assurance business” substitute  
“...  
98 For section 255 substitute— Apportionment of allowances and charges  
(1) This section applies if the long-term business of the...  
99 (1) Section 256 (different giving effect rules for different categories...  
100 In section 257(2) (supplementary), for paragraphs (a) and (b) substitute  
—...  
101 (1) Section 261 (special leasing: life assurance business) is amended...  
102 In the heading for Chapter 1 of Part 12, for...  
103 (1) Section 544 (management assets) is amended as follows.  
104 (1) Section 545 (investment assets) is amended as follows.  
105 (1) Section 560 (transfer of insurance company business) is amended...  
106 (1) Schedule A1 (first-year tax credits) is amended as follows...  
107 (1) Part 2 of Schedule 1 (index of defined expressions)...

*Finance Act 2003*

- 108 FA 2003 is amended as follows.  
109 Omit section 156 (overseas life insurance companies).

*Income Tax (Earnings and Pensions) Act 2003*

- 110 ITEPA 2003 is amended as follows.

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- 111 In section 357(3) (business entertainment and gifts: exception where employer's...

*Finance Act 2004*

- 112 FA 2004 is amended as follows.  
 113 In section 196(4) (relief for employers in respect of contributions...  
 114 In section 196A(4)(c) (power to restrict relief), for “brought into...  
 115 In section 196L(2) (employer asset-backed contributions: supplementary), as inserted by...  
 116 In section 197(10)(b) (spreading of relief), for “section 76 of...  
 117 In section 199 (deemed contributions), for subsection (5) substitute—  
 118 In section 199A(10)(c) (indirect contributions), for “brought into account at...  
 119 In section 200 (no other relief for employers in connection...  
 120 (1) Section 246 (restriction of deduction for non-contributory provision) is...  
 121 In section 246A(4)(c) (case where no relief for provision by...  
 122 In section 280(1) (abbreviations)— (a) omit the “and” before the...

*Finance (No.2) Act 2005*

- 123 F(No.2)A 2005 is amended as follows.  
 124 In section 18(3)(b) (specific powers relating to authorised unit trusts...

*Income Tax (Trading and Other Income) Act 2005*

- 125 ITTOIA 2005 is amended as follows.  
 126 In section 48(4A) (car hire)— (a) at the end of...  
 127 In section 473(2) (policies and contracts to which Chapter 9...  
 128 In section 476(3) (special rules: foreign policies), in the definition...  
 129 In section 504(7) (part surrenders: payments under guaranteed income bonds...  
 130 (1) Section 531 (gains from contracts for life insurance etc:...  
 131 In paragraph 118(2) of Schedule 2 (pre-1 January 2005 contracts...

*Income Tax Act 2007*

- 132 ITA 2007 is amended as follows.  
 133 In section 564B(1) (meaning of “financial institution”)—  
 134 In section 681DP (relevant tax relief), for paragraph (c) substitute—...

*Corporation Tax Act 2009*

- 135 CTA 2009 is amended as follows.  
 136 In section A1(2) (overview of the Corporation Tax Acts)—  
 137 (1) Section 18Q (UK resident insurance companies: profits of foreign...  
 138 For section 24 substitute— Application to insurance companies (1) This section makes provision in a case where the...  
 139 In section 36(3) (farming and market gardening), for “of the...  
 140 In section 38(3)(d) (commercial occupation of land other than woodlands),...  
 141 In section 39(5)(a) (profits of mines, quarries and other concerns),...  
 142 In section 46(3)(a) (generally accepted accounting practice), omit subparagraph (ii)...

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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- 143 In section 56(5) (car hire)— (a) at the end of...
- 144 In section 130(1)(a) (insurers receiving distributions etc), for “life assurance...
- 145 In section 201 (priority rules: provisions which must be given...
- 146 In section 203(4) (property businesses)— (a) for “section 432AA of...
- 147 (1) Section 298 (meaning of trade and purposes of trade)...
- 148 (1) Section 336 (transfers of loans on group transactions) is...
- 149 (1) Section 337 (transfers of loans on insurance business transfers)...
- 150 (1) Section 386 (overview of Chapter 10 of Part 5...
- 151 In section 387(1) (treatment of deficit on BLAGAB: introduction), after...
- 152 In section 388(3) (basic rule: deficit set off against income...
- 153 In section 389 (claim to carry back deficit), after subsection...
- 154 (1) Section 390 (meaning of “available profits”) is amended as...
- 155 In section 391 (carry forward of surplus deficit to next...
- 156 Omit sections 393 and 394 (insurance companies: determination of questions...
- 157 In section 399 (index-linked gilt-edged securities), at the end insert—...
- 158 In section 464(3) (list of exceptions to general rule that...
- 159 In section 471(3) (connections between persons: creditors who are insurance...
- 160 In section 472(4)(b) (meaning of “control”), for “of an insurance...
- 161 In section 473(3)(b) (meaning of “major interest”), for “of an...
- 162 In section 486(4) (exclusion of exchange gains and losses in...
- 163 In section 502(1) (meaning of “financial institution”)—
- 164 In section 560(4) (investment life insurance contracts: introduction)—
- 165 In section 561(2) (meaning of “investment life insurance contract”), in...
- 166 In section 563(6)(a) (increased non-trading credits for BLAGAB and EEA...
- 167 (1) Section 591 (conditions A to E mentioned in section...
- 168 (1) Section 634 (insurance companies) is amended as follows.
- 169 (1) Section 635 (creditor relationships of insurance companies: embedded derivatives...
- 170 (1) Section 636 (insurance companies: modifications of Chapter 5 (continuity...
- 171 In section 699(3) (list of exceptions to general rule that...
- 172 In section 710 (derivative contracts: other definitions)—
- 173 In section 746(2)(c) (“non-trading credits” and “non-trading debits”), for “section...
- 174 In section 800(3) (excluded assets: introduction), omit paragraph (b) (together...
- 175 In section 806(3) (assets excluded from Part 8 (intangible fixed...
- 176 In section 810 (mutual trade or business), omit subsection (2)...
- 177 In section 815 (election to exclude capital expenditure on software),...
- 178 In section 855(4) (further provision about regulations under section 854),...
- 179 For section 901 substitute— Effect of application of the I...
- 180 Omit sections 902 (excluded assets) and 903 (elections to exclude...
- 181 Omit section 904 (transfers of life assurance business: transfers of...
- 182 In section 906(3) (list of exceptions to general rule that...
- 183 In section 931S(3) (company distributions: meaning of “small company”), in...
- 184 In section 931W (provisions which must be given priority over...

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

- 185 In section 985 (references to a deduction being allowed to...  
 186 In section 999 (deduction for costs of setting up SAYE...  
 187 (1) Section 1000 (deduction for costs of setting up employee...  
 188 In section 1013 (relief if shares acquired by employee or...  
 189 In section 1021 (relief if employee or other person obtains...  
 190 . . . . .  
 191 In section 1083 (refunds of expenditure treated as income chargeable...  
 192 In section 1143(4) (overview of Part 14)—  
 193 (1) Section 1153 (land remediation tax credit: amount of a...  
 194 (1) Section 1158 (restriction on losses carried forward where tax...  
 195 In the heading for Chapter 4 of Part 14, for...  
 196 Omit section 1159 (limitation on relief under Chapter 2 of...  
 197 In section 1160 (provision in respect of I minus E...  
 198 (1) Section 1161 (relief in respect of I minus E...  
 199 (1) Section 1162 (additional relief) is amended as follows.  
 200 In the italic heading before section 1164, for “Life assurance”...  
 201 (1) Section 1164 (entitlement to tax credit) is amended as...  
 202 (1) Section 1165 (meaning of “qualifying life assurance business  
 loss”)...  
 203 In section 1166(1) (amount of tax credit)—  
 204 In section 1167(1) and (3)(a) (payment of tax credit etc),...  
 205 (1) Section 1168 (restriction on carrying forward expenses payable  
 where...  
 206 In section 1169(2) (artificially inflated claims for relief or tax...  
 207 After section 1223 insert— Exception for basic life assurance and...  
 208 (1) Section 1251 (car hire) is amended as follows.  
 209 In section 1288(4) (unpaid remuneration)— (a) in paragraph (a), after...  
 210 (1) Section 1297 (life assurance business) is amended as follows....  
 211 In section 1298(2) (business entertainment and gifts), for  
 paragraph (c)...  
 212 In section 1304 (crime-related payments), for subsection (3) substitute  
 —  
 213 (1) Schedule 2 (transitionals and savings) is amended as follows....  
 214 In Schedule 4 (index of defined expressions)—

#### *Corporation Tax Act 2010*

- 215 CTA 2010 is amended as follows.  
 216 In section 17(3) (interpretation of Chapter: meaning of “carried-forward  
 amount”)—...  
 217 In section 54(2) (non-UK resident company: receipts of interest,  
 dividends...  
 218 In Chapter 4 of Part 4 (property losses), after section...  
 219 In section 606(5) (groups), in the definition of “insurance company”,...  
 220 (1) Section 783 (treatment of payer of manufactured dividend) is...  
 221 (1) Section 785 (treatment of payer: REITs) is amended as...  
 222 (1) Section 791 (treatment of payer of manufactured overseas  
 dividend)...  
 223 In section 799(5) (manufactured payments under arrangements with  
 unallowable purpose),...  
 224 In section 835(2) (transferor or associate becomes liable for payment...  
 225 In section 836(2) (transferor or associate becomes liable for payment...  
 226 (1) Section 839 (deduction under section 76 of ICTA not...



*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

- 227 (1) Section 840 (carrying forward parts of payments) is amended...
- 228 In section 860 (relevant corporation tax relief), for paragraph (d)...
- 229 In section 886 (relevant tax relief), for paragraph (c) substitute—...
- 230 In section 1171(2) (powers under orders and regulations excluded from...
- 231 In section 1173(2) (miscellaneous charges), in Part 3 of the...

*Taxation (International and Other Provisions) Act 2010*

- 232 TIOPA 2010 is amended as follows.
- 233 In section 43(7) (profits attributable to permanent establishments for purposes...
- 234 In section 72(2) (application of section 73(1)), omit paragraph (b)...
- 235 In section 96(1) (companies with overseas branches: restriction of credit)—...
- 236 For section 97 substitute— Companies with more than one category...
- 237 Omit section 98 (attribution for section 97 purposes if category...
- 238 In section 99(7) (allocation of expense etc in calculations under...
- 239 Omit section 102 (interpreting sections 99 to 101 for life...
- 240 (1) Section 103 (interpreting sections 99 to 101 for other...
- 241 In section 104(3) (interpreting sections 100 and 101: amounts referable...
- 242 In section 269(6) (insurance activities and insurance-related activities), in the...
- 243 In section 310(2) (meaning of “carried-forward amount”)—
- 244 In Part 1 of Schedule 11 (index of defined expressions...

*Finance Act 2011*

- 245 FA 2011 is amended as follows.
- 246 In paragraph 73(2) of Schedule 19 (bank levy: meaning of...
- PART 4 — CONSEQUENTIAL REPEALS
- 247 In consequence of the amendments made by Parts 1 to...

SCHEDULE 17 — Part 2: transitional provision  
PART 1 — DEEMED RECEIPTS OR EXPENSES

*General outline of the provision of this Part of this Schedule*

- 1 (1) This Part of this Schedule makes provision, by reference...

*Basic concepts*

- 2 In this Part of this Schedule— “the 2012 balance sheet”,...
- 3 (1) This paragraph applies if an insurance company does not...
- 4 (1) This paragraph applies if an insurance company does not...

*The comparison etc*

- 5 (1) In the case of an insurance company, a comparison...
- 6 (1) The insurance company— (a) must, by comparing amounts shown...
- 7 (1) Each of the items determined in accordance with paragraph...
- 8 (1) Each relevant computational item must be apportioned between—

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

*Deemed receipts or expenses of BLAGAB or non-BLAGAB long-term business*

- 9 (1) If a relevant computational item (or a part of...  
10 (1) If a relevant computational item (or a part of...

*Period over which deemed receipts or expenses arise*

- 11 (1) A receipt or expense within paragraph 9 or 10...  
12 (1) For the purposes of this paragraph a “relevant court-protected...  
13 (1) This paragraph applies if— (a) under an insurance business...  
14 (1) This paragraph applies if— (a) under an insurance business...  
15 (1) This paragraph applies if— (a) an insurance company ceases...

*Financing-arrangement-funded transfers to shareholders in relation to non-profit funds*

- 16 (1) This paragraph applies if, as at 1 January 2013,...

*Anti-avoidance*

- 17 (1) This paragraph applies if— (a) on or after 21...  
18 (1) Paragraph 17 does not apply if, on an application...  
19 (1) An application under paragraph 18 must—

*Overseas life insurance companies*

- 20 Receipts or expenses are not to be treated as arising...  
PART 2 — SPECIFIC TRANSITIONAL PROVISIONS

*Insurance company with BLAGAB consisting wholly of protection business*

- 21 (1) This paragraph applies if— (a) in its first accounting...

*Disregard of amounts previously taken into account for tax purposes*

- 22 (1) This paragraph applies if, for an accounting period ending...  
23 For the purposes of section 76 an expense is to...

*Intangible fixed assets*

- 24 (1) This paragraph applies to assets— (a) which, under the...

*Assets held for purposes of long-term business*

- 25 (1) The rules in sections 116 to 118 apply in...  
26 (1) The rules in sections 119 to 121 apply in...  
27 (1) This paragraph applies if— (a) immediately before 1 January...  
28 (1) This paragraph applies in a case where—

*Carry-forward of trading losses and excess management expenses*

- 29 (1) Any unused losses arising to an insurance company in...  
30 (1) Any unused losses arising to an insurance company in...  
31 (1) The appropriate part of any unused life assurance trade...  
32 (1) This paragraph applies if, but for this Part of...  
33 (1) This paragraph applies if, but for this Part of...

*Relief for BLAGAB trade losses for accounting period beginning on or after 1 January 2013*

- 34 (1) This paragraph applies if— (a) an insurance company carries...

*Assets of the shareholder fund*

- 35 (1) This paragraph applies in relation to assets of an...  
35A (1) Sub-paragraph (2) applies to assets which by reason of...  
PART 3 — SUPPLEMENTARY

*General transitional provision in relation to provisions re-enacted in Part 2 of this Act*

- 36 (1) This paragraph applies where any provision of this Part...

*Power to make supplementary transitional provision etc*

- 37 (1) The Treasury may by regulations make further transitional, transitory...  
38 Any regulations made by the Treasury under any provision of...

*Interpretation*

- 39 The following expressions have the same meaning in this Schedule...

SCHEDULE 18 — Part 3: consequential amendments

*Income and Corporation Taxes Act 1988*

- 1 ICTA is amended as follows.  
2 Omit section 459 (unregistered friendly societies: exemption from tax).  
3 Omit section 460 (exemption from tax in respect of life...  
4 Omit section 461 (taxation in respect of other business).  
5 Omit sections 461A to 461C (taxation in respect of other...  
6 Omit section 461D (transfers of business).  
7 Omit section 462 (conditions for tax exempt business).  
8 Omit section 463 (long-term business of friendly societies: application of...  
9 Omit section 464 (maximum benefits payable to members).  
10 Omit section 465 (old societies).  
11 Omit section 465A (assets of branch of registered friendly society...  
12 Omit section 466 (interpretation of Chapter 2 of Part 12)...  
13 (1) Schedule 15 (qualifying policies) is amended as follows.

*Taxation of Chargeable Gains Act 1992*

- 14 TCGA 1992 is amended as follows.  
15 In section 100(2B)(b) (exemption for authorised unit trusts etc), for...  
16 In section 171(5) (transfers within a group: general provisions), for...

*Income Tax (Trading and Other Income) Act 2005*

- 17 ITTOIA 2005 is amended as follows.  
18 (1) Section 531 (gains from contracts for life insurance etc)...

*Corporation Tax Act 2009*

- 19 CTA 2009 is amended as follows.

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

- 20 In section A1(2) (overview of the Corporation Tax Acts), after...
- 21 In section 564(1) (section 563: interpretation), for “section 460 of...
- 22 In section 931S(3) (company distributions: meaning of “small company”), in...

*Consequential repeals*

- 23 In consequence of the amendments made by this Schedule, omit...

SCHEDULE 19 — Part 3: transitional provision

*Approvals given for purposes of section 461 or 461C of ICTA*

- 1 Anything which, as a result of section 461(11) or 461A(4)...

*General transitional provision in relation to provisions re-enacted in Part 3 of this Act*

- 2 (1) This paragraph applies where any provision of this Part...

SCHEDULE 20 — Controlled foreign companies and foreign permanent establishments

PART 1 — CONTROLLED FOREIGN COMPANIES

- 1 After Part 9 of TIOPA 2010 insert— PART 9A Controlled...

PART 2 — FOREIGN PERMANENT ESTABLISHMENTS

*Main provision*

- 2 Chapter 3A of Part 2 of CTA 2009 (foreign permanent...
- 3 In section 18A(1) omit “UK resident”.
- 4 After section 18C insert— Income arising from immovable property  
The references in section 18A(6) to profits which would be...
- 5 (1) Section 18F is amended as follows.
- 6 For sections 18G to 18I substitute— Anti-diversion rule (1) This section  
applies for the purposes of this Chapter...
- 7 After section 18P(2) insert— (3) Subsection (2) does not apply...

*Lloyd's underwriters*

- 8 In Chapter 5 of Part 4 of FA 1994 (Lloyd's...

*Plant and machinery allowances*

- 9 In section 15 of CAA 2001 (plant and machinery allowances:...
- PART 3 — OTHER AMENDMENTS

*TMA 1970*

- 10 TMA 1970 is amended as follows.
- 11 In section 55 (recovery of tax not postponed) in subsection...
- 12 In section 59E (provision about when corporation tax due and...
- 13 In section 59F (arrangements for paying tax on behalf of...

*ICTA*

- 14 In ICTA omit Chapter 4 of Part 17 (controlled foreign...

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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*FA 1998*

- 15 FA 1998 is amended as follows.
- 16 In section 32 (unrelieved surplus advance corporation tax) for subsection...
- 17 (1) Schedule 18 (company tax returns) is amended as follows....

*FA 2000*

- 18 Schedule 22 to FA 2000 (tonnage tax) is amended as...
- 19 (1) Paragraph 54 is amended as follows.
- 20 (1) Paragraph 57 is amended as follows.

*FA 2002*

- 21 In FA 2002 omit section 90 (controlled foreign companies and...

*ITA 2007*

- 22 (1) Section 725 of ITA 2007 (transfer of assets abroad:...

*FA 2007*

- 23 (1) Paragraph 3 of Schedule 11 to FA 2007 (technical...

*CTA 2009*

- 24 CTA 2009 is amended as follows.
- 25 In section A1 (overview of the Corporation Tax Acts) in...
- 26 In section 486D (disguised interest: arrangement with no tax avoidance...
- 27 (1) Section 486E (disguised interest: excluded shares) is amended as...
- 28 In section 521E (unallowable purpose) omit subsections (5) and (6)...
- 29 Omit section 870 (intangible fixed assets: assumptions to be made...
- 30 In Chapter 2 of Part 9A (exemption of distributions received...
- 31 In section 931E (distributions from controlled companies) for subsections (3)...

*FA 2009*

- 32 Part 2 of Schedule 16 to FA 2009 (amendment of...
- 33 In paragraph 12— (a) in sub-paragraph (2) omit paragraph (b)...
- 34 Omit paragraph 15.
- 35 In paragraph 16— (a) in paragraph (a) after “2009” insert...
- 36 In the cross-heading before paragraph 17 for “during three years...

*CTA 2010*

- 37 CTA 2010 is amended as follows.
- 38 In section 398D (restriction on use of losses) for subsection...
- 39 (1) Section 938M (group mismatch schemes: controlled foreign companies) is...
- 40 In section 1139 (definition of “tax advantage”) in subsection (2)...

*TIOPA 2010*

- 41 TIOPA 2010 is amended as follows.

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

- 42 (1) Section 179 (compensating payment if advantaged person is controlled...  
 43 In Chapter 4 of Part 7 (exemption for financing income)...  
 44 (1) Section 314 (financing income amounts) is amended as follows...  
 45 After section 314 insert— The financing income amounts of a...

*Insurance Companies (Reserve) (Tax) Regulations 1996 (S.I. 1996/2991)*

- 46 The Insurance Companies (Reserve) (Tax) Regulations 1996 (S.I. 1996/2991) are...  
 47 (1) Regulation 8A is amended as follows.  
 48 In regulation 8B for “controlled foreign company” substitute “CFC...  
 PART 4 — COMMENCEMENT PROVISION

*Commencement provision relating to controlled foreign companies etc*

- 49 (1) The CFC charge is charged in relation to accounting...  
 50 (1) The repeal of Chapter 4 of Part 17 of...  
 51 The amendment made by paragraph 27(3) above has no effect...  
 52 The amendment made by paragraph 30 above has no effect...  
 53 The amendment made by paragraph 31 above has no effect...  
 54 The amendments made by paragraphs 33 to 36 above are...

*Commencement provision relating to foreign permanent establishments*

- 55 (1) The amendments made by paragraphs 3, 5 and 9...  
 PART 5 — TRANSITIONAL PROVISION

*First accounting periods*

- 56 (1) This paragraph applies in relation to a CFC the...

*Elections under section 9A of CTA 2010*

- 57 (1) This paragraph applies if— (a) during a company's accounting...

*Exempt periods*

- 58 (1) This paragraph applies if— (a) there is an exempt...

*Designer rate tax provisions*

- 59 (1) The Controlled Foreign Companies (Designer Rate Tax Provisions) Regulations...

SCHEDULE 21 — Relief in respect of decommissioning expenditure

*Restriction of relief available in respect of decommissioning expenditure*

- 1 Part 8 of CTA 2010 (oil activities) is amended as...  
 2 In section 330 (supplementary charge in respect of ring fence...  
 3 After section 330 insert— Decommissioning expenditure taken into account in...  
 4 In section 7 of FA 2011 (increase in rate of...

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

*Extension of loss relief available in respect of decommissioning expenditure*

5 (1) In Chapter 2 of Part 4 of CTA 2010...

*Application*

6 (1) The amendments made by this Schedule have effect in...

SCHEDULE 22 — Reduction of supplementary charge for certain oil fields

*Amendments of Chapter 7 of Part 8 of CTA 2010*

- 1 In Part 8 of CTA 2010 (oil activities), Chapter 7...
- 2 In section 334 (company's pool of field allowances), for “new...
- 3 (1) Section 337 (initial licensee to hold a field allowance)...
- 4 In section 338 (holding a field allowance on acquisition of...
- 5 In section 339 (unactivated amount of field allowance), in subsections...
- 6 (1) Section 340 (introduction to section 341) is amended as...
- 7 (1) Section 341 (activation of field allowance) is amended as...
- 8 In section 342 (introduction to sections 343 and 344), in...
- 9 In section 343 (reference periods), in subsection (3), for “the...
- 10 (1) Section 344 (activation of field allowance) is amended as...
- 11 (1) Section 345 (introduction to sections 346 and 347) is...
- 12 (1) Section 346 (reduction of field allowance if equity disposed...
- 13 (1) Section 347 (acquisition of field allowance if equity acquired)...
- 14 (1) Section 349 (orders) is amended as follows.
- 15 Before section 350 insert— “Additionally-developed oil field” (1) In this Chapter an oil field is an “additionally-developed...
- 16 (1) Section 357 (other definitions) is amended as follows.
- 17 The heading of the Chapter becomes “ REDUCTION OF SUPPLEMENTARY...

*Consequential amendments*

- 18 (1) Part 8 of CTA 2010 (oil activities) is amended...
- 19 (1) Schedule 4 to CTA 2010 (index of defined expressions)...
- 20 In section 63 of FA 2011 (reduction of supplementary charge...

*Commencement*

- 21 (1) The amendments made by paragraphs 14, 15 and 16(3)...
- 22 (1) The Commissioners for Her Majesty's Revenue and Customs may...

SCHEDULE 23 — Air passenger duty

PART 1 — NORTHERN IRELAND LONG HAUL RATES OF DUTY FROM 1 NOVEMBER 2011 TO 31 MARCH 2012

- 1 In section 30 of FA 1994 (air passenger duty: rates...
- 2 In article 3 of the Air Passenger Duty (Connected Flights)...
- 3 The amendments made by this Part of this Schedule have...

PART 2 — RATES OF DUTY FROM 1 APRIL 2012

- 4 (1) Section 30 of FA 1994 (air passenger duty: rates...
- 5 In article 3 of the Air Passenger Duty (Connected Flights)...
- 6 The amendments made by this Part of this Schedule have...

PART 3 — DEVOLUTION OF NORTHERN IRELAND LONG HAUL RATES OF DUTY

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

- 7 Chapter 4 of Part 1 of FA 1994 (air passenger...  
 8 (1) Section 30 (rates of duty) is amended as follows...  
 9 After section 30 insert— Northern Ireland long haul rates of...  
 10 (1) Section 33 (registration of aircraft operators) is amended as...  
 11 After section 33 insert— Registration of Northern Ireland long haul...  
 12 In section 34 (fiscal representatives) in subsection (5)—  
 13 After section 41 insert— Northern Ireland long haul rates of...  
 14 In section 44 of CRCA 2005 (payment into Consolidated Fund)...  
 15 In column 2 of the Table in paragraph 1 of...  
 PART 4 — OTHER PROVISION  
 16 Chapter 4 of Part 1 of FA 1994 (air passenger...  
 17 In section 28 (introduction to air passenger duty) for subsection...  
 18 (1) Section 29 (chargeable aircraft) is amended as follows.  
 19 After section 29 insert— Chargeable aircraft: exceptions (1) This  
 section applies for the purposes of this Chapter...  
 20 In section 30 (rate of duty) before subsection (5) insert—...  
 21 In section 30A (as inserted by paragraph 9 above) after...  
 22 (1) Section 43 (interpretation) is amended as follows.  
 23 The amendments made by this Part of this Schedule have...

SCHEDULE 24 — Machine games duty  
 PART 1 — IMPOSITION OF DUTY

*The duty*

- 1 A duty of excise, to be known as machine games...

*Dutiable machine games*

- 2 (1) A “machine game” is a game (whether of skill...  
 3 (1) A game that would otherwise be a dutiable machine...  
 4 The Treasury may by order specify criteria to be taken...

*Types of machine*

- 5 (1) Machines are divided into three types for the purposes...

*How the duty is charged*

- 6 (1) Machine games duty is charged on a taxable person's...

*Net takings per machine*

- 7 (1) A taxable person's net takings in an accounting period...  
 8 (1) In calculating the takings and the payouts under paragraph...

*The rates*

- 9 (1) The lower rate is 5%. (2) The standard rate...

*Negative amounts of duty*

- 10 (1) If the calculation of the amount of machine games...

*Who is liable*

- 11 (1) A person is liable for machine games duty in...



*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

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*Responsible for premises*

- 12 (1) This paragraph sets out who is “responsible” for premises...

*Excluded dual-use machines*

- 13 (1) A machine is an “excluded dual-use machine” if—

*Accounting periods*

- 14 (1) An accounting period for machine games duty is a...

*Valuing prizes*

- 15 (1) This paragraph applies in valuing prizes for the purposes...

*Valuing charges*

- 16 (1) This paragraph applies in determining for the purposes of...

*Collection and management*

- 17 The Commissioners are responsible for the collection and management of...

*Returns*

- 18 (1) The Commissioners may make regulations requiring registrable persons to...

*Assessment and payment*

- 19 (1) The Commissioners may make regulations about payment of machine...

*Registration*

- 20 (1) The Commissioners must maintain a register of those responsible...

*Registrable persons*

- 21 (1) If a person holds a relevant licence or permit...  
22 (1) A “relevant licence or permit” is—

*Compulsory registration*

- 23 (1) Sub-paragraph (2) applies if— (a) it appears to HMRC...

*Procedure for registration, de-registration etc*

- 24 (1) The Commissioners may make regulations about registration.

*Publication of register*

- 25 (1) The MGD register is to contain such details of...

*Profit-sharers*

- 26 (1) Sub-paragraph (2) applies if— (a) it appears to HMRC...

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

*Reviews and appeals*

- 27 (1) The decisions mentioned in sub-paragraph (2) are to be...

*Interest*

- 28 (1) This paragraph applies if an order is made under...

*Penalties and enforcement*

- 29 In Schedule 24 to FA 2007 (penalties for errors), in...  
30 In Schedule 41 to FA 2008 (penalties: failure to notify...  
31 In Schedule 55 to FA 2009 (penalty for failure to...  
32 In that Schedule, in each of the following provisions, for...  
33 In Schedule 56 to FA 2009 (penalty for failure to...  
34 In that Schedule, in each of the following provisions, for...  
35 (1) Contravention of a provision mentioned in sub-paragraph (2) attracts...

*Forfeiture*

- 36 (1) A machine is liable to forfeiture if—

*Offences*

- 37 (1) A person commits an offence if the person is...

*Protection of officers*

- 38 Section 31 of BGDA 1981 applies in relation to machine...

*Orders and regulations*

- 39 (1) This paragraph applies to orders and regulations under this...

*Transitional provision*

- 40 (1) The Commissioners may by notice direct that regulations under...

*Consequential amendments*

- 41 (1) Section 1(1) of CEMA 1979 (interpretation) is amended as...  
42 (1) For section 118BC of that Act (inspection powers: gaming...  
43 In section 2 of BGDA 1981 (bookmakers: general bets), in...  
44 (1) Section 26H of BGDA 1981 (exemptions from remote gaming...  
45 In Schedule A1 to BGDA 1981 (betting duties: double taxation...  
46 In Schedule 4B to BGDA 1981 (remote gaming duty: double...  
47 In section 12 of FA 1994 (assessment to excise duty),...  
48 In section 10 of FA 1997 (gaming duty), for subsection...  
49 In section 7 of the Borders, Citizenship and Immigration Act...

*Interpretation*

- 50 In this Part of this Schedule— “ appeal tribunal ”...  
51 (1) This Part of this Schedule is to be read...  
52 The imposition or payment of machine games duty does not...  
PART 2 — REMOVAL OF AMUSEMENT MACHINE LICENCE DUTY

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

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*Amendment of BGDA 1981*

- 53 The following provisions of BGDA 1981 are omitted—  
54 (1) Part 3 of that Act (general) is amended as...

*Amendment of other enactments*

- 55 In section 102 of CEMA 1979, in subsection (3)(a), omit...  
56 In section 10 of FA 1997 (gaming duty), omit subsection...  
57 In Schedule 41 to FA 2008 (penalties: failure to notify...  
58 In section 7 of the Borders, Citizenship and Immigration Act...

*Transitional provision and savings*

- 59 (1) If a licence granted under section 21 of BGDA...  
60 (1) If a licence granted or to be granted under...  
61 (1) This paragraph applies to licences to be granted under...  
62 (1) The enactments repealed by this Part of this Schedule...  
PART 3 — VAT EXEMPTION

*Amendment of VATA 1994*

- 63 For section 23 of VATA 1994 substitute— Value of supplies...  
64 (1) In Part 2 of Schedule 9 to that Act...  
65 (1) Paragraph 9 of Schedule 11 to that Act (administration,...  
PART 4 — MISCELLANEOUS

*Application*

- 66 (1) The provisions of this Schedule have effect as follows...  
67 (1) The Treasury may by regulations make transitional or saving...

SCHEDULE 25 — Remote gambling: double taxation relief

*Unilateral relief*

- 1 BGDA 1981 is amended as follows.  
2 After section 5D insert— Double taxation relief (1) This section applies if a person (“P”) is liable...  
3 After section 8 insert— Double taxation relief (1) This section applies if a person (“P”) is liable...  
4 After section 10 insert— Definition of qualifying foreign tax (1) For the purposes of general betting duty or pool...  
5 After section 26I insert— Double taxation relief (1) This section applies if— (a) P is liable to...  
6 In section 33 (interpretation)— (a) in subsection (1), after the...  
7 Before Schedule 1 insert— SCHEDULE A1 Betting duties: double taxation...  
8 (1) Schedule 1 (betting duties) is amended as follows.  
9 After Schedule 4A insert— SCHEDULE 4B Remote gaming duty: double...

*Consequential amendments*

- 10 In section 13A(2) of FA 1994 (meaning of “relevant decision”),...  
11 (1) The Table in paragraph 1 of Schedule 41 to...

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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### *Commencement*

12 The amendments made by this Schedule have effect in relation...

SCHEDULE 26 — Categorisation of supplies

PART 1 — ZERO-RATED SUPPLIES

### *Introductory*

1 Part 2 of Schedule 8 of VATA 1994 (zero-rating) is...

### *Food*

2 (1) Group 1 (food) is amended as follows.

### *Protected buildings*

3 (1) Group 6 (protected buildings) is amended as follows.

### *Caravans*

4 (1) Group 9 (caravans and houseboats) is amended as follows....  
PART 2 — EXEMPT SUPPLIES

### *Land: self storage and facilities to supply hairdressing services*

5 (1) In Part 2 of Schedule 9 to VATA 1994...  
PART 3 — SUPPLIES CHARGEABLE AT REDUCED RATE  
6 (1) Schedule 7A to VATA 1994 (charge at reduced rate)...  
PART 4 — COMMENCEMENT AND TRANSITIONAL PROVISION  
7 (1) Subject to sub-paragraphs (2) and (3), the amendments made...

SCHEDULE 27 — Anti-forestalling charge to VAT

PART 1 — ANTI-FORESTALLING CHARGE TO VAT

### *Introductory*

1 In this Schedule— “date of the VAT change” means 1...

### *The charge*

2 (1) There is an anti-forestalling charge to value added tax...

### *The supplies*

3 (1) The descriptions of supplies are— (a) the supply, in...

### *Supplies linked to the post-change period*

4 (1) A supply of services within paragraph 3(1)(a) or (c)...

### *Power to modify this Schedule*

5 (1) The Treasury may by order modify this Schedule for...  
PART 2 — LIABILITY AND AMOUNT

### *Liability*

6 (1) An anti-forestalling charge under this Schedule on a chargeable...

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

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*Amount*

- 7 (1) The amount of the anti-forestalling charge on a chargeable...  
PART 3 — ADMINISTRATION AND INTERPRETATION

*Person ceasing to be taxable person before anti-forestalling charge due*

- 8 (1) This paragraph applies if, on the date on which...

*Adjustment of contracts following the VAT change*

- 9 (1) This paragraph applies where— (a) a contract for the...

*Invoices*

- 10 Regulations under paragraph 2A of Schedule 11 to VATA 1994...

*Interpretation: general*

- 11 (1) Expressions used in this Schedule and in VATA 1994...

SCHEDULE 28 — Non-established taxable persons

*New Schedule 1A*

- 1 In VATA 1994, after Schedule 1 insert— SCHEDULE 1A  
Registration...

*Other amendments of VATA 1994*

- 2 VATA 1994 is amended as follows.  
3 In section 7 (place of supply of goods), in subsection...  
4 In section 54 (farmers etc), in subsection (2), after “Schedule...  
5 In section 55 (customers to account for tax on supplies...  
6 In section 55A (customers to account for tax on supplies...  
7 In section 69 (breaches of regulatory provisions), in subsection (1)(a),...  
8 In section 73 (failure to make returns etc), in subsection...  
9 In section 74 (interest on VAT recovered or recoverable by...  
10 In section 77 (assessments: time limits and supplementary assessments),  
in...  
11 (1) Paragraph 1 of Schedule 1 (registration in respect of...  
12 In paragraph 3 of that Schedule, at the end of...  
13 Accordingly, in the heading of that Schedule, at the end...  
14 In paragraph 1 of Schedule 2 (registration in respect of...  
15 In paragraph 1 of Schedule 3 (registration in respect of...  
16 In paragraph 1 of Schedule 3A (registration in respect of...  
17 In paragraph 18 of Schedule 3B (supply of electronic services...

*Amendments of other Acts*

- 18 In Schedule 41 to FA 2008 (penalties: failure to notify...

*Application*

- 19 The amendments made by this Schedule have effect in relation...

SCHEDULE 29 — Administration of VAT

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

- 1 VATA 1994 is amended as follows.
- 2 (1) Section 18B (fiscally warehoused goods: relief) is amended as...
- 3 (1) Section 18C (warehouses and fiscal warehouses: services) is amended...
- 4 In section 35(2) (refund of VAT to persons constructing certain...
- 5 (1) Section 39(3) (repayment of VAT to those in business...
- 6 (1) Section 48 (VAT representatives) is amended as follows.
- 7 In section 54(6)(a) (farmers etc)— (a) omit “the form and...
- 8 In Schedule 1 (registration in respect of taxable supplies), in...
- 9 In Schedule 2 (registration in respect of supplies from other...
- 10 In Schedule 3 (registration in respect of acquisitions from other...
- 11 In Schedule 3A (registration in respect of disposals of assets...
- 12 (1) Paragraph 2 of Schedule 11 (accounting for VAT and...
- 13 In consequence of the amendments made by this Schedule—

#### SCHEDULE 30 — Climate change levy

##### PART 1 — REDUCED-RATE SUPPLIES ON OR AFTER 1 APRIL 2011: DEEMED SUPPLY

- 1 (1) In paragraph 45A(2)(b) of Schedule 6 to FA 2000...

##### PART 2 — TAXABLE SUPPLIES ON OR AFTER 1 APRIL 2012 FOR USE IN RECYCLING PROCESSES

- 2 Schedule 6 to FA 2000 (climate change levy) is amended...
- 3 In paragraph 4(2)(b) (definition of taxable supply) for “45A” substitute...
- 4 In paragraph 5(3) (taxable supplies: deemed supplies of electricity) for...
- 5 In paragraph 6(2A) (taxable supplies: deemed supplies of gas) for...
- 6 In paragraph 14(3A)(a) (use of electricity in an “exemption-retaining” way)...
- 7 Omit paragraph 18A (exemption: supply for use in recycling processes)....
- 8 In paragraph 34 (time of supply of commodities other than...
- 9 In paragraph 39(1)(c) (regulations as to time of supply) for...
- 10 In paragraph 42 (amount payable by way of levy)—
- 11 Before the cross-heading before paragraph 44 insert— Supplies for use...
- 12 Omit paragraph 45A (reduced-rate supplies: deemed supply).
- 13 After paragraph 62(1)(c) (tax credits) insert— (ca) after a taxable...
- 14 In paragraph 101(2)(a) (penalty for incorrect notification)—
- 15 In paragraph 146(3) (regulations subject to affirmative resolution procedure) omit...
- 16 In paragraph 147 (interpretation)— (a) in the definition of “prescribed”,...
- 17 Omit section 188 of FA 2003 (climate change levy: exemption...
- 18 (1) FA 2011 is amended as follows.
- 19 The amendments made by paragraphs 2 to 18 have effect...
 

##### PART 3 — RATES OF CLIMATE CHANGE LEVY FOR SUPPLIES ON OR AFTER 1 APRIL 2013
- 20 In paragraph 42(1) of Schedule 6 to FA 2000 (amount...
- 21 In paragraph 43B(1) of Schedule 6 to FA 2000 (supplies...
- 22 In section 79 of FA 2011 (which provides for a...
- 23 The amendments made by paragraphs 20 to 22 have effect...

#### SCHEDULE 31 — Climate change levy: climate change agreements

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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- 1 Schedule 6 to FA 2000 (climate change levy) is amended...
- 2 In paragraph 44(1)(a), (2A) and (2C) (definition of “reduced-rate” supply)...
- 3 In paragraph 45(1) (variation of certificates under paragraph 44) for...
- 4 In paragraph 45B(2) and (6) (removal of reduced rate) for...
- 5 In the cross-heading before paragraph 47 omit “with Secretary of...
- 6 In paragraph 47(1) (definition of “climate change agreement”: direct agreements)—...
- 7 (1) Paragraph 48 (definition of “climate change agreement”: combination of...
- 8 (1) Paragraph 49 (supplemental provision relating to climate change agreements)...
- 9 After paragraph 52 insert— The Administrator etc (1) In this Part of this Schedule references to “the...
- 10 In paragraph 137(1) (disclosure of information) after paragraph (f) insert —...
- 11 The amendments made by this Schedule have no effect in...

SCHEDULE 32 — Climate change levy: supplies subject to the carbon price support rates and combined heat and power stations  
PART 1 — MAIN PROVISION

*Amendments to Schedule 6 to FA 2000*

- 1 .....
- 2 .....
- 3 .....
- 4 .....
- 5 .....
- 6 .....
- 7 .....
- 8 .....
- 9 .....
- 10 .....
- 11 .....
- 12 .....
- 13 .....
- 14 .....
- 15 .....
- 16 .....

*Provision relating to Schedule 20 to FA 2011*

- 17 .....
- 18 .....

*Commencement*

- 19 .....
- 20 PART 2 — CARBON PRICE SUPPORT RATES FROM 1 APRIL 2014  
(1) In paragraph 42A(5) of Schedule 6 to FA 2000...
- 21 PART 3 — ELECTRICITY PRODUCED IN COMBINED HEAT AND POWER STATIONS  
(1) Paragraph 20A of Schedule 6 to FA 2000 (climate...

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

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22 (1) The following repeals are made in consequence of paragraph...

SCHEDULE 33 — Inheritance tax: gifts to charities etc

*Reduced rate of inheritance tax*

1 After Schedule 1 to IHTA 1984 insert— SCHEDULE 1A Gifts...

*Consequential amendments*

- 2 IHTA 1984 is amended as follows in consequence of paragraph...
- 3 In section 7 (rates), in subsection (1), after “(4) and...
- 4 In section 33 (amount of charge under section 32), after...
- 5 In section 78 (conditionally exempt occasion), in subsection (3), for...
- 6 In section 128 (rate of charge: woodlands)—
- 7 After section 141 insert— Apportionment of relief under section 141...
- 8 In Schedule 4 (maintenance funds for historic buildings etc), in...

*Instruments of variation to be notified to charities etc*

9 In section 142 of IHTA 1984 (alteration of dispositions taking...

*Commencement*

10 (1) The Schedule inserted by paragraph 1 has effect in...

SCHEDULE 34 — Bank levy

*Introductory*

1 Schedule 19 to FA 2011 (bank levy) is amended as...

*Rates 2012*

- 2 In paragraph 6 (steps for determining the amount of the...
- 3 In paragraph 7 (special provision for chargeable periods falling wholly...
- 4 The amendments made by paragraphs 2 and 3 are treated...

*Rates from 2013*

- 5 In paragraph 6 (steps for determining the amount of the...
- 6 (1) In paragraph 7 (special provision for chargeable periods falling...
- 7 The amendments made by paragraph 6 come into force on...

*Joint ventures*

- 8 (1) Paragraph 43 (calculation of chargeable equity and liabilities where...
- 9 In paragraph 44 (chargeable equity and liabilities of joint venture:...
- 10 The amendments made by paragraphs 8 and 9 have effect...

*Double taxation relief*

- 11 (1) In paragraph 66 (double taxation arrangements), after sub-paragraph (9)...



*Transitional provision*

12 (1) This paragraph applies where— (a) an amount of the...

SCHEDULE 35 — Stamp duty land tax: higher rate for certain transactions

*Introductory*

1 Part 4 of FA 2003 (stamp duty land tax) is...

*Higher rate of tax: main provisions*

2 (1) Section 55 (amount of tax chargeable: general) is amended...

3 After section 55 insert— Amount of tax chargeable: higher rate...

4 After Schedule 4 insert— SCHEDULE 4A Stamp duty land tax:...

*Higher rate of tax: exercise of collective rights by tenants of flats*

5 (1) Section 74 (exercise of collective rights by tenants of...

*Minor and consequential amendments*

6 (1) Section 109 (general power to vary Part 4 of...

7 (1) Schedule 5 (amount of tax chargeable: rent) is amended...

8 In paragraph 2(4) of Schedule 6B (transfers involving multiple dwellings)—...

9 (1) Schedule 15 (partnerships) is amended as follows.

*Application of amendments*

10 (1) Except as mentioned in sub-paragraph (2), the amendments made...

SCHEDULE 36 — Agreement between UK and Switzerland

PART 1 — INTRODUCTION

*The Agreement and the Joint Declaration*

1 In this Schedule— (a) “the Agreement” means the agreement signed...

PART 2 — THE PAST

*Taxes affected*

2 (1) The taxes affected by this Part are—

*Application of this Part*

3 (1) This Part applies if— (a) a one-off payment is...

*Qualifying amounts*

4 (1) The Part 2 certificate applies to taxable amounts in...

*Eligibility for clearance*

5 (1) The effect of the Part 2 certificate depends on...

*Effect if P eligible for clearance*

6 (1) This paragraph sets out the effect of the Part...

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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*Ceasing to be liable to tax*

- 7 (1) The result of “ceasing to be liable” to tax...

*Effect if P not eligible for clearance*

- 8 (1) This paragraph sets out the effect of the Part...

*Interest, penalties etc*

- 9 (1) Where, by virtue of this Part, P ceases to...

*Repayments*

- 10 Nothing in this Part entitles any person to a repayment...

*Paragraph 4: supplementary provision*

- 11 (1) This paragraph explains how paragraph 4(2) is to be...

*Refund of one-off payment*

- 12 If a one-off payment is refunded by HMRC in accordance...  
PART 3 — THE FUTURE: INCOME TAX AND CAPITAL GAINS TAX

*Taxes affected*

- 13 The taxes affected by this Part are—

*Application of this Part*

- 14 (1) This Part applies if— (a) a sum is levied...

*Effect of relevant certificate*

- 15 (1) The effect of the relevant certificate depends on whether...

*Election*

- 16 (1) P may make an election under this paragraph in...

*Other credits to be allowed first*

- 17 Other than a credit allowed under Part 3 of TIOPA...

*Repayments*

- 18 (1) Sub-paragraph (2) applies if the amount of a credit...

*Relationship with special withholding tax rules*

- 19 The Joint Declaration does not count for the purposes of...  
PART 4 — THE FUTURE: INHERITANCE TAX

*Taxes affected*

- 20 This Part affects inheritance tax.

*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

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*Application of this Part*

- 21 (1) This Part applies if— (a) an amount is withheld...

*Effect of Article 32 certificate*

- 22 (1) The cleared assets are to be treated as if...

*Election in respect of Article 32 certificates*

- 23 (1) This paragraph applies if the cleared assets for each...

*Repayments*

- 24 Nothing in this Part entitles any person to a repayment...

PART 5 — GENERAL PROVISIONS

*Information exchange*

- 25 No obligation of secrecy (whether imposed by statute or otherwise)...

*Amounts recoverable as if they were VAT*

- 26 (1) Part 2 of this Schedule applies to amounts otherwise...

*Transfers to HMRC under Agreement*

- 26A (1) Income or chargeable gains of a person are to...  
26B (1) This paragraph applies if— (a) but for paragraph 26A(1),...

*General interpretation*

- 27 (1) In this Schedule— “ancillary charge” means any interest, penalty,...

SCHEDULE 37 — International military headquarters, EU forces, etc

*FA 1960*

- 1 (1) Section 74A of FA 1960 (visiting forces and allied...

*IHTA 1984*

- 2 In section 6 of IHTA 1984 (excluded property), in subsection...  
3 (1) Section 155 of that Act (visiting forces and allied...

*ITEPA 2003*

- 4 (1) Section 303 of ITEPA 2003 (visiting forces and staff...

*ITA 2007*

- 5 (1) Section 833 of ITA 2007 (visiting forces and staff...

SCHEDULE 38 — Tax agents: dishonest conduct

PART 1 — INTRODUCTION

*Overview*

- 1 This Schedule is arranged as follows— (a) this Part explains...

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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*Tax agent*

- 2 (1) A “tax agent” is an individual who, in the...

*Dishonest conduct*

- 3 (1) An individual “engages in dishonest conduct” if, in the...  
PART 2 — ESTABLISHING DISHONEST CONDUCT

*Conduct notice*

- 4 (1) This paragraph applies if HMRC determine that an individual...

*Appeal against determination*

- 5 (1) An individual to whom a conduct notice is given...

*Offence of concealment etc in connection with conduct notice*

- 6 (1) A person (“P”) commits an offence if, after a...  
PART 3 — POWER TO OBTAIN TAX AGENT'S FILES ETC

*Circumstances in which power is exercisable*

- 7 (1) The power in paragraph 8 is exercisable only in...

*File access notice*

- 8 (1) Subject to paragraph 7, an officer of Revenue and...

*Relevant documents*

- 9 (1) “Relevant documents” means the tax agent's working papers  
(whenever...

*Content of notice*

- 10 (1) A file access notice may require the provision of—...

*Compliance*

- 11 A file access notice may require documents to be provided—...  
12 Unless otherwise specified in the notice, a file access notice...

*Approval by tribunal*

- 13 (1) The tribunal may not approve the giving of a...

*Documents not in person's possession or power*

- 14 A file access notice only requires the document-holder to provide...

*Types of information*

- 15 (1) A file access notice does not require the document-holder...

*Old documents*

- 16 (1) A file access notice does not require the document-holder...

*Privileged communications between professional legal advisers and clients*

17 (1) A file access notice does not require the document-holder...

*Power to copy documents*

18 If a document is provided pursuant to a file access...

*Power to retain documents*

19 (1) If a document is provided pursuant to a file...

*Appeal against file access notice*

20 (1) If the document-holder is a person other than the...

*Offence of concealment etc in connection with file access notice*

21 (1) A person (“P”) commits an offence if P—

*Penalty for failure to comply*

22 (1) A person who fails to comply with a file...

*Daily penalty for failure to comply*

23 If the failure continues after notification of a penalty under...

*Failure to comply with time limit*

24 A failure to do anything required to be done within...

*Reasonable excuse*

25 (1) Liability to a penalty under paragraph 22 or 23...  
PART 4 — SANCTIONS FOR DISHONEST CONDUCT

*Penalty for dishonest conduct*

26 (1) An individual who engages in dishonest conduct is liable...

*Special reduction*

27 (1) This paragraph applies if HMRC propose to assess an...

*Power to publish details*

28 (1) The Commissioners may publish information about an individual  
if...

PART 5 — PENALTIES: ASSESSMENT ETC

*Assessment of penalties*

29 (1) If a person becomes liable to a penalty under...

30 (1) HMRC may not assess a penalty under this Schedule...

*Appeal against penalty*

31 (1) A person may appeal against a decision of HMRC—...

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

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*Enforcement of penalty*

- 32 (1) A penalty under this Schedule must be paid—

*Double jeopardy*

- 33 A person is not liable to a penalty under this...  
34 (1) A person is not liable to a penalty under...

*Power to change amount of penalties*

- 35 (1) If it appears to the Treasury that there has...  
PART 6 — MISCELLANEOUS PROVISION AND INTERPRETATION

*Application of provisions of TMA 1970*

- 36 Subject to the provisions of this Schedule, the following provisions...

*Tax*

- 37 (1) “Tax” means— (a) income tax, (b) capital gains tax,...

*General interpretation*

- 38 In this Schedule— “appointed” includes engaged; “client” (except in paragraph...  
39 (1) A reference in this Schedule to clients of a...  
40 A loss of tax revenue is taken for the purposes...  
41 A reference in this Schedule to working for an organisation...  
42 A reference in a provision of this Schedule to an...

*Relationship with other enactments*

- 43 Nothing in this Schedule limits— (a) any liability a person...  
PART 7 — CONSEQUENTIAL PROVISIONS

*TMA 1970*

- 44 TMA 1970 is amended as follows.  
45 Omit— (a) section 20A (power to call for papers of...  
46 (1) Section 20BB (falsification etc of documents) is amended as...  
47 In section 20D (interpretation of sections 20 to 20CC)—  
48 In section 103 (time limits for penalties)—  
49 In section 103ZA (disapplication of sections 100 to 103)—  
50 In section 118 (interpretation), in the definition of “tax”, omit...

*OTA 1975*

- 51 In Schedule 2 to OTA 1975 (management and collection of...

*IHTA 1984*

- 52 In section 247 of IHTA 1984 (provision of incorrect information),...

*Social Security Contributions and Benefits Act 1992*

- 53 In section 16 of the Social Security Contributions and Benefits...  
54 In paragraph 7B of Schedule 1 to that Act (collection...

*Social Security Contributions and Benefits (Northern Ireland) Act 1992*

55 In paragraph 7B of Schedule 1 to the Social Security...

*Social Security Administration Act 1992*

56 In section 110ZA of the Social Security Administration Act 1992...

*Social Security Administration (Northern Ireland) Act 1992*

57 In section 104ZA of the Social Security Administration (Northern Ireland)...

*FA 2003*

58 (1) FA 2003 is amended as follows.

SCHEDULE 39 — Repeal of miscellaneous reliefs etc  
PART 1 — STAMP DUTY AND STAMP DUTY LAND TAX

*Nationalisation schemes*

1 (1) Section 52 of FA 1946 (exemption from stamp duty...

*Visiting forces and allied headquarters*

2 Section 74 of FA 1960 (visiting forces and allied headquarters:...

*Shared ownership transactions*

3 (1) The following provisions are repealed— (a) section 97 of...

*Instruments subject to duty of fixed amount*

4 (1) Section 87 of FA 1985 (certificates) is amended as...

*Acquisitions*

5 (1) The following provisions are repealed— (a) section 76 of...

*Transfers to registered social landlords*

6 (1) Section 130 of FA 2000 (transfers to registered social...

*Land in disadvantaged areas*

7 (1) Sections 92 to 92B of, and Schedule 30 to,...

8 (1) Section 57 of, and Schedule 6 to, FA 2003...

*Leases granted by registered social landlords*

9 (1) In Part 5 of FA 2003 (stamp duty), the...

*Application and transitional provision*

10 (1) The amendments made by paragraphs 1 to 5, 6(1),...

11 The amendments made by paragraph 7 do not have effect...

12 (1) The amendments made by paragraph 8 do not have...

13 (1) Any claim for relief under Schedule 6 to FA...

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)*

PART 2 — REPEAL OF HARBOUR REORGANISATION SCHEME RELIEFS

- 14 Section 45 of FA 1966 (harbour reorganisation schemes: stamp duty)...
- 15 Section 221 of TCGA 1992 (harbour reorganisation schemes: transfer of...)
- 16 Sections 991 to 995 of CTA 2010 (harbour reorganisation schemes)...
- 17 In consequence of the provision made by paragraph 15—
- 18 (1) The amendment made by paragraph 14 has effect in...
- PART 3 — PAYMENTS RELATING TO REDUCTIONS IN POOL BETTING DUTY
- 19 (1) Section 126 of FA 1990 (capital allowances and IHT:...
- 20 (1) Section 121 of FA 1991 (inheritance tax: pools payments...
- 21 (1) In ITTOIA 2005, the following provisions are repealed—
- 22 (1) In CTA 2009, the following provisions are repealed—
- PART 4 — LIFE ASSURANCE

*Abolition of income tax relief for life assurance premiums under section 266 of ICTA*

- 23 Section 266 of ICTA (income tax relief for life assurance...
- 24 No claim for relief may be made under paragraph 6...
- 25 (1) The Income Tax (Life Assurance Premium Relief) Regulations 1978...
- 26 (1) In this paragraph— (a) “the 1980 Regulations” means the...
- 27 (1) In this paragraph— (a) “the 1980 Regulations” means the...
- 28 (1) The following repeals are made in consequence of the...
- 29 (1) This paragraph applies if— (a) a policy which is...
- 30 (1) In this paragraph “relevant variation” means a variation made...

*Removal of claw-backs on relief given under section 266 of ICTA*

- 31 (1) In ICTA omit sections 268 to 272 (which provide...

*Abolition of income tax relief relating to certain payments made for benefit of family members etc*

- 32 (1) In Chapter 6 of Part 8 of ITA 2007...
- PART 5 — CAPITAL ALLOWANCES

*Safety at sports grounds*

- 33 The following provisions of Part 2 of CAA 2001 (plant...
- 34 (1) In consequence of the provision made by paragraph 33,...
- 35 The amendments made by paragraphs 33 and 34 have effect—...

*Flat conversion allowances*

- 36 Part 4A of CAA 2001 (flat conversion allowances) does not...
- 37 Part 4A of CAA 2001 is repealed.
- 38 (1) In consequence of the provision made by paragraph 37,...
- 39 In consequence of the provision made by paragraphs 37 and...
- 40 (1) The amendments made by paragraphs 37 to 39 have...
- 41 (1) This paragraph applies if, for corporation tax purposes, the...
- 42 (1) Nothing in paragraph 37 or 40(1) is to affect...
- PART 6 — MINERAL LEASES OR AGREEMENTS

*Income tax*

- 43 (1) The following provisions of ITTOIA 2005 (which provide for...



*Changes to legislation:* There are currently no known outstanding effects for the Finance Act 2012. (See end of Document for details)

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*Corporation tax on income*

- 44 (1) The following provisions of CTA 2009 (which provide for...

*Chargeable gains*

- 45 (1) Section 201 of TCGA 1992 (mineral leases: royalties) is...  
46 (1) Section 202 of TCGA 1992 (mineral leases: capital losses)...  
47 In section 203 of TCGA 1992 (provisions supplementary to sections...  
PART 7 — MISCELLANEOUS

*Deeply discounted securities: incidental expenses*

- 48 (1) In section 455 of ITTOIA 2005 (listed securities held...

*Grants for giving up agricultural land*

- 49 (1) Section 249 of TCGA 1992 (grants for giving up...

*Reduction for meal vouchers*

- 50 (1) Section 89 of ITEPA 2003 (reduction for meal vouchers)...

*Black beer*

- 51 (1) ALDA 1979 is amended as follows.

*Angostura bitters*

- 52 (1) In ALDA 1979, omit— (a) section 1(7) (angostura bitters...

*Tax reserve certificates*

- 53 (1) The following provisions are repealed— (a) section 750 of...

*Tax assessors*

- 54 (1) Section 62(2) and (3) of FA 1946 (compensation for...

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 2012.