



# Finance Act 1961

## 1961 CHAPTER 36

### PART III

#### GENERAL AND SUPPLEMENTARY

#### **30 Surcharges on employers**

(1) If during the period beginning with the passing of this Act and ending with the thirty-first day of March, nineteen hundred and sixty-two it appears to the Treasury that it is expedient so to do with a view to regulating the balance between demand and resources in the United Kingdom, the Treasury may by order direct that the following subsection shall have effect as respects the period beginning with the coming into operation of the order and ending with the fifth day of August, nineteen hundred and sixty-two or such earlier date as may be prescribed.

(2) In respect of each contribution week beginning during a period as respects which this section has effect, an employer shall be liable, in respect of each person in respect of whom the employer is liable to pay a contribution for that week to pay a surcharge of such amount, not exceeding four shillings, as may be prescribed:

Provided that different rates of surcharge may be prescribed for different descriptions of persons, and if it is so prescribed surcharges shall not be payable in respect of a prescribed description of persons.

(3) Surcharges under this section shall be collected together with the National Insurance and Health Service contributions, and shall be paid by the Minister of Pensions and National Insurance into the Exchequer at such times as the Treasury may direct.

(4) The expenses of the Minister of Pensions and National Insurance and of any other Government Department incurred for the purposes of this section shall be defrayed out of moneys provided by Parliament:

Provided that—

- (a) so much of the sums payable into the Exchequer under subsection (3) of this section as the Treasury may determine to be equal to the aggregate of the said expenses and any such amounts as are mentioned in paragraphs (a) and (b)

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of subsection (2) of section thirty-eight of the National Insurance Act, 1946 (liabilities for pensions and other payments, and use of Crown premises), in so far as those amounts are determined by the Treasury to be attributable to the collection and application of surcharges, may be treated as if they were receipts falling within section two of the Public Accounts and Charges Act, 1891, and may be directed to be appropriated in aid accordingly ;

- (b) this subsection shall not apply to expenses incurred by the Postmaster General, but this section shall be included among the enactments specified in subsection (2) of section nineteen of the Post Office Act, 1961 (payments by Minister of Pensions and National Insurance for work done by the Postmaster General in the execution of specified Acts).
- (5) The provisions of the Fifth Schedule to this Act shall have effect for the purposes of this section.
- (6) This section and the said Fifth Schedule shall apply in the case of persons employed by or under the Crown in like manner as if the employer were a private person.
- (7) In this section and the Fifth Schedule to (this Act—
- " contribution ", except where the context otherwise requires, means a contribution (other than a graduated contribution under the National Insurance Act, 1959) payable under the National Insurance Acts;
- " description of persons " relates to persons of any description relevant for determining the amount or aggregate amount of contributions;
- " National Insurance and Health Service contributions " means the contributions payable under the National Insurance Acts and the National Health Service Contributions Act, 1957;
- " the National Insurance Acts " means the National Insurance Act, 1946, and any enactment (whether passed before or after the passing of this Act) amending that Act, other than an enactment contained in the National Health Service Contributions Act, 1957 ;
- " prescribed " means prescribed by an order under this section,
- and other expressions used in this section and the said Fifth Schedule have the same meanings as in the National Insurance Act, 1946.
- (8) The provisions in that behalf of the Third Schedule to this Act shall have effect with respect to orders under this section.

### **31 Increase of rate of profits tax**

As from the beginning of April, nineteen hundred and sixty-one, the rate at which the profits tax is to be charged by virtue of subsection (1) of section twenty-five of the Finance Act, 1958, shall be increased from twelve and a half per cent. to fifteen per cent.

### **32 Excess profits tax, excess profits levy and special contribution: terminal date for making assessments**

- (1) Subject to the provisions of this section, no assessment to excess profits tax, the excess profits levy or the special contribution shall be made after the passing of this Act.
- (2) The foregoing subsection shall not apply in so far as the assessment is required for the purpose of making good to the Crown any loss of tax, levy or contribution shown

to be attributable to fraud or wilful default committed in connection therewith or in relation to income tax.

- (3) Subsection (1) of this section shall not apply to—
- (a) any assessment to excess profits tax in so far as it relates to tax leviable by virtue of section thirty-nine of the Finance Act, 1950 (enemy debts, etc., written off during the war);
  - (b) any additional assessment to the excess profits levy falling to be made by virtue of subsection (2) of section twenty-one of the Finance Act, 1953 (unremittable overseas income).
- (4) The Fifth Schedule to the Finance (No. 2) Act, 1945 (relief for error or mistake) so far as it relates to excess profits tax and (by virtue of section sixty-three of the Finance Act, 1952) to the excess profits levy shall have effect as if in paragraph 1 (time for application for relief) for the words " before such date as Parliament may hereafter determine " there were substituted the words " not later than six years after the making of the assessment " and in paragraph 4 (time for appealing) for the words " twenty-one days " there were substituted the words " thirty days ".
- (5) In the case of an assessment to excess profits tax, the excess profits levy or the special contribution made after the end of the year nineteen hundred and sixty and before the passing of this Act, the period within which an appeal may be made shall not expire earlier than thirty days after the passing of this Act, and if on the hearing of such an appeal the appellant elects that this subsection shall have effect the assessment shall be discharged unless it is shown, or to the extent to which it is not shown, that the assessment was required as mentioned in subsection (2) of this section, or relates to such tax as is mentioned in paragraph (a) of subsection (3) thereof, or falls within paragraph (b) of that subsection.
- (6) References in this section to an assessment include references to an additional assessment.

### 33 Stamp duty on bills of exchange and promissory notes

- (1) In the First Schedule to the Stamp Act, 1891, after the heading " Bank Note " there shall be inserted the following—

BILL OF EXCHANGE or PROMISSORY NOTE of any kind whatsoever (except a bank note)—drawn, or expressed to be payable, or actually paid, or endorsed, or in any manner negotiated in the United Kingdom	“£ 0	s 0	d. 2”
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and the headings beginning " Bill of Exchange payable on demand " and " Bill of Exchange of any other kind " shall be omitted.

- (2) The duty on a bill of exchange or a promissory note under the foregoing subsection may be denoted by an adhesive stamp which, where the bill or note is drawn or made in the United Kingdom, is to be cancelled by the person by whom the bill or note is signed before he delivers it out of his hands, custody or power.
- (3) Subsection (2) of section thirty-eight of the said Act (which authorises the person to whom an unstamped bill of exchange payable on demand or at sight or on presentation is presented for payment to stamp the bill) shall apply also to bills of exchange of every other description, and as if for the reference to one penny there were substituted a reference to the amount of the duty under subsection (1) of this section.
- (4) In subsection (1) of section thirty-nine of the Finance Act, 1956 (under which a banker may compound for stamp duty under the heading beginning " Bill of Exchange payable on demand "), and in any agreement made under that section before the passing of this Act, references to that heading shall be read as if they were references to the heading in subsection (1) of this section.
- (5) Duty under subsection (1) of this section may be denoted by unappropriated stamps.
- (6) The foregoing provisions of this section shall apply to—
  - (a) bills and notes drawn or made on or after the first day of August, nineteen hundred and sixty-one, and
  - (b) bills and notes drawn or made outside the United Kingdom before that date but first becoming chargeable in accordance with section thirty-five of the Stamp Act, 1891 (which relates to foreign bills and notes), on or after that date,
 and, so as to enable the Commissioners of Inland Revenue on the said date to terminate the supply of stamps appropriated to denote duty on bills of exchange and promissory notes, ad valorem duty at the rates in force before the passing of this Act on a bill of exchange or promissory note which, by virtue of the said section thirty-five or section forty-two of the Finance Act, 1933 (under which bills may be stamped after the proper time), is stamped on or after the said date may be denoted by unappropriated stamps which, notwithstanding anything in the Stamp Act, 1891, shall be impressed stamps.
- (7) Any bill of exchange or promissory note drawn or made before, the first day of August, nineteen hundred and sixty-one, and stamped with an impressed stamp of sufficient amount but improper denomination shall be regarded as duly stamped.
- (8) This section shall be construed as one with the Stamp Act, 1891.

### **34 Stamp duty on transfers of stock in the course of transactions involving the borrowing of stock by dealers**

- (1) This section shall have effect where a dealer (in this section referred to as " the borrower ") has in the ordinary course of his business as a dealer contracted to sell stock and, in order to enable him to fulfil the contract, some other person (in this section referred to as " the lender "), being a person who is not a dealer.—
  - (a) transfers stock to the borrower or his nominee, or
  - (b) procures the transfer of stock from another person who is not a dealer or a dealer's nominee to the borrower or his nominee,

in consideration of an undertaking by the borrower to the lender subsequently to transfer, or procure the transfer of, stock of the same description and amount to the lender, or to the lender's

In this section the transfer to the borrower or his nominee is referred to as an initial transfer, and any transfer effected or procured by the borrower in discharge of his undertaking is referred to as a final transfer.

- (2) The maximum stamp duty chargeable on an initial transfer which is not a transfer on sale shall be ten shillings notwithstanding that it is chargeable under sub-head (2) of the heading " CONVEYANCE or TRANSFER whether on sale or otherwise " in the First Schedule to the Stamp Act, 1891 (which relates to colonial stock).
- (3) The maximum stamp duty chargeable on any final transfer which is a transfer to the person who was the transferor under the initial transfer shall be ten shillings and if any such final transfer is a transfer from the borrower or his nominee it shall for the purposes of subsection (2) of section forty-two of the Finance Act, 1920 (under which a transfer on sale of stock to a dealer may be freed from full ad valorem duty if the dealer transfers the stock to a bona fide purchaser within two months), be regarded as a transfer to a bona fide purchaser whether or not it would be so regarded apart from this subsection.
- (4) This section shall have effect as from the beginning of August, nineteen hundred and sixty-one.
- (5) In this section the expressions " dealer " and " stock " have the same meanings as in the said section forty-two, and this section shall be construed as one with the Stamp Act, 1891.

### **35 National savings stamps and gift tokens**

- (1) In this section "national savings stamp" and " national savings gift token" mean respectively a stamp or token sold by the Postmaster General which may be used in the purchase of national savings certificates or premium savings bonds, or in different ways one of which is the purchase of national savings certificates, premium savings bonds, defence bonds or some other description of government stock as defined in the National Debt Act, 1958.
- (2) Any sums received by the Postmaster General from the sale of national savings stamps or national savings gift tokens shall be paid by him out of the Post Office Fund into the Exchequer; and the Treasury shall issue to the Postmaster General out of the Consolidated Fund sums equal to any sums required to be paid out of the Post Office Fund in respect of the exchange or encashment of national savings stamps or national savings gift tokens.
- (3) The foregoing subsection shall not apply in relation to sums paid into or out of the Post Office Fund before the commencement of this Act, but the Postmaster General shall ascertain the amount in that Fund at the commencement of this Act which represents the excess of receipts over payments out in respect of all national savings stamps and national savings gift tokens sold by him at any time before the commencement of this Act and shall pay out of the Post Office Fund into the Exchequer a sum equal to the amount of the excess so ascertained.

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- (4) The Treasury shall from time to time, as they think fit, issue out of the Consolidated Fund, and apply in the redemption or paying off of any description of debt, sums equal to the money paid into the Exchequer under the foregoing subsections.
- (5) If at any time it appears to the Treasury that, in the case of any national savings stamps or national savings gift tokens, no further sums will become payable out of the Post Office Fund in respect of those stamps or tokens, the Treasury may issue to the National Debt Commissioners out of the Consolidated Fund sums equal to the face value of those stamps or tokens; and the National Debt Commissioners shall deal with those sums as if they were paid to the Commissioners in respect of unclaimed redemption moneys under section five of the Miscellaneous Financial Provisions Act, 1955.
- (6) For the purpose of providing sums to be issued out of the Consolidated Fund under the foregoing provisions of this section, or providing for the replacement of sums so issued, the Treasury may at any time, if they think fit, raise money in any manner in which they are authorised to raise money under the National Loans Act, 1939, and any securities created and issued to raise money under this subsection shall be deemed for all purposes to have been created and issued under that Act.
- (7) The Treasury shall from time to time pay to the Postmaster General out of the Consolidated Fund sums, of such amounts as may be agreed between them, for the work done by the Postmaster General in providing, selling, encashing and otherwise dealing with national savings stamps and national savings gift tokens.

### **36 Redemption of Ottoman Guaranteed Loan of 1855**

- (1) If, on the day appointed by the Treasury for the redemption of the Ottoman Guaranteed Loan of 1855, the total value of the assets in the 1855 Ottoman Guaranteed Loan Investment Account standing in the name of the National Debt Commissioners at the Bank of England is less than the total nominal amount of the said Loan outstanding on that day, there shall be issued out of the Consolidated Fund a sum equal to the deficiency; and the assets of the said Account and the sum so issued shall be applied in the redemption of the said Loan:

Provided that the sum issued out of the Consolidated Fund under this subsection shall not exceed two hundred thousand pounds.

- (2) Subsections (2) to (10) of section five of the Miscellaneous Financial Provisions Act, 1955 (which provide for the treatment of unclaimed moneys due on Government stock) shall apply to the said Loan as they apply to Government stock.
- (3) The expenses of the Treasury in connection with the redemption of the said Loan shall be paid out of the Consolidated Fund.
- (4) The Treasury shall prepare an account of the sums issued out of the Consolidated Fund under subsections (1) and (3) of this section and of the sums applied in the redemption of the said Loan and send it to the Comptroller and Auditor General not later than six months after the day appointed by the Treasury for the redemption of the said Loan; and the Comptroller and Auditor General shall examine, certify and report on the account and lay copies of it, together with his report, before each House of Parliament.
- (5) The Turkish Loan Act, 1855 (which authorised Her Majesty to guarantee interest on the said Loan), shall cease to have effect on such date as the Treasury may by order in a statutory instrument appoint, being the day next following the day appointed by

the Treasury for the redemption of the Loan ; and if before that date any sums have been issued out of the Consolidated Fund under that Act and have not been included in an account laid before Parliament under that Act, those sums shall be included in the account mentioned in subsection (4) of this section.

### **37 Short title, interpretation, construction, extent and repeal**

- (1) This Act shall be cited as the Finance Act, 1961.
- (2) "The Act of 1952" in Part I of this Act means the Customs and Excise Act, 1952, and in Part II of this Act means the Income Tax Act, 1952.
- (3) Part I of this Act shall be construed as one with the Customs and Excise Act, 1952, and Part II with the Income Tax Acts.
- (4) Any reference in this Act to any other enactment shall, except so far as the context otherwise requires, be construed as a reference to that enactment as amended or applied by or under any other enactment, including this Act.
- (5) Such of the provisions of this Act as relate to matters in respect of which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.
- (6) The enactments specified in the Sixth Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Schedule, but—
  - (a) the repeals in Part II of that Schedule shall not apply to any bill or note which was drawn or made before the beginning of August, nineteen hundred and sixty-one, and which, if drawn or made outside the United Kingdom, first became chargeable in accordance with section thirty-five of the Stamp Act, 1891, before that time, and
  - (b) the repeal in Part III of that Schedule shall not have effect until the date appointed by the Treasury under subsection (5) of the foregoing section.