



Finance Act 1927

1927 CHAPTER 10

PART IV

MISCELLANEOUS AND GENERAL

48 Amount of New Sinking Fund (1923) for 1926-27

The amount of the New Sinking Fund (1923) shall, as respects the current financial year, be increased by the sum of fifteen million pounds, and section thirty-two of the Finance Act, 1923, shall, as respects that year, have effect accordingly.

49 Transfer of sum from Road Fund to Exchequer

There shall, in accordance with the directions of the Treasury, be transferred to the Exchequer from the Road Fund constituted under the Roads Act, 1920, a sum representing the amount of the cash balance and investments which were on the thirty-first day of March, nineteen hundred and twenty-seven, standing to the credit of that fund: Provided that such sum shall not exceed twelve million pounds.

50 Continuance during current financial year of s.58 of 10 and 11 Geo.5 c.18

Section fifty-eight of the Finance Act, 1920 (which provides that amounts applied out of revenue in paying off debt are to be deemed expenditure within the meaning of sections four and five of the Sinking Fund Act, 1875), shall apply in relation to the current financial year as it applied in relation to the financial year ending on the thirty-first day of March, nineteen hundred and twenty-one.

51 Relief under s. 16 of Finance Act, 1907, in connection with certain settled property to cease

Section sixteen of the Finance Act, 1907 (which provides that settled property to which subsection (2) of section twelve of the Finance Act, 1900, applies, instead of being aggregated with other property to a limited extent only under the said section twelve, shall, in the case of persons dying on or after the nineteenth day of April, nineteen

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hundred and seven, be treated as an estate by itself), shall be repealed so far as relates to persons dying after the commencement of this Act:

Provided that, where an interest in expectancy within the meaning of Part I. of the Finance Act, 1894, in any property has before the eleventh day of April, nineteen hundred and twenty-seven, been bona fide sold or mortgaged for full consideration in money or money's worth, then no other duty on that property shall be payable by the purchaser or mortgagee when the interest falls into possession than would have been payable if this section had not passed, and in the case of a mortgage any higher duty payable by the mortgagor shall rank as a charge subsequent to that of the mortgagee.

52 Provisions with respect to relief from double taxation in certain cases where succession duty is payable in Northern Ireland

Where the Commissioners of Inland Revenue are satisfied that, under a settlement of which the forum of administration is in Northern Ireland, succession duty has been paid, or is payable, in Northern Ireland in respect of any settled, personal or movable property by reason of the death of a person dying on or after the twenty-second day of November, nineteen hundred and twenty-one, a sum equal to the amount of that duty shall be allowed from the legacy duty or succession duty payable in Great Britain in respect of that property on the same death.

53 Authorisation of disclosure of information in connection with taxes to officers of Northern Ireland Government

The obligation as to secrecy imposed by any enactment with regard to any tax placed under the care and management of the Commissioners of Inland Revenue shall not prevent the disclosure by any authorised officer of those Commissioners to any authorised officer of the Government of Northern Ireland of information necessary for the purpose of determining the liability of any person to any tax or the title of any person to repayment or allowance of any tax placed under the care and management of the Ministry of Finance for Northern Ireland.

54 Amendment of s.12 of Finance Act, 1898

- (1) Section twelve of the Finance Act, 1898 (which grants an exemption from land tax), shall have effect as if for the words "for that year" where they firstly and secondly occur in the said section as amended by section sixty-three of the Finance Act, 1920, there were substituted the words " for the year ending on " the fifth day of April in the year for which the land " tax is assessed."
- (2) This section shall have effect as respects the year ending on the twenty-fourth day of March, nineteen hundred and twenty-nine, and every subsequent year.

55 Relief from capital and transfer stamp duty in case of reconstructions or amalgamations of companies

- (1) If in connection with a scheme for the reconstruction of any company or companies or the amalgamation of any companies it is shown to the satisfaction of the Commissioners of Inland Revenue that there exist the following conditions, that is to say—
 - (a) that a company with limited liability is to be registered, or that since the commencement of this Act a company has been incorporated by letters patent

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or Act of Parliament, or the nominal share capital of a company has been increased;

- (b) that the company (in this section referred to as " the transferee company") is to be registered or has been incorporated or has increased its capital with a view to the acquisition either of the undertaking of, or of not less than ninety per cent. of the issued share capital of, any particular existing company;
- (c) that the consideration for the acquisition (except such part thereof as consists in the transfer to or discharge by the transferee company of liabilities of the existing company) consists as to not less than ninety per cent. thereof—
 - (i) where an undertaking is to be acquired, in the issue of shares in the transferee company to the existing company or to holders of shares in the existing company; or
 - (ii) where shares are to be acquired, in the issue of shares in the transferee company to the holders of shares in the existing company in exchange for the shares held by them in the existing company;

then, subject to the provisions of this section,—

- (A) The nominal share capital of the transferee company, or the amount by which the capital of the transferee company has been increased, as the case may be, shall, for the purpose of computing the stamp duty chargeable in respect of that capital, be treated as being reduced by either—

- (i) an amount equal to the amount of the share capital of the existing company in respect of which stamp duty has been paid, or, in the case of the acquisition of a part of an undertaking, equal to such proportion of the said share capital as the value of that part of the undertaking bears to the whole value of the undertaking; or
- (ii) the amount to be credited as paid up on the shares to be issued as such consideration as aforesaid,

whichever amount is the less; and

- (B) Stamp duty under the heading " Conveyance or Transfer on Sale " in the First Schedule to the Stamp Act, 1891, shall not be chargeable on any instrument made for the purposes of or in connection with the transfer of the undertaking or shares, nor shall any such duty be chargeable under section twelve of the Finance Act, 1895, on a copy of any Act of Parliaments or on any instrument vesting, or relating to the vesting of, the undertaking or shares in the transferee company:

Provided that—

- (a) no such instrument shall be deemed to be duly stamped unless either it is stamped with the duty to which it would but for this section be liable or it has in accordance with the provisions of section twelve of the Stamp Act, 1891, been stamped with a particular stamp denoting either that it is not chargeable with any duty or that it is duly stamped; and
- (b) in the case of an instrument made for the purposes of or in connection with a transfer to a company within the meaning of the Companies (Consolidation) Act, 1908, the provisions of paragraph (B) of this subsection shall not apply unless the instrument is either—
 - (i) executed within a period of twelve months from the date of the registration of the transferee company or the date of the resolution for the increase of the nominal share capital of the transferee company, as the case may be; or

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- (ii) made for the purpose of effecting a conveyance or transfer in pursuance of an agreement which has been filed, or particulars of which have been filed, with the registrar of companies within the said period of twelve months,
- (2) For the purposes of a claim for exemption under paragraph (B) of subsection (1) of this section, a company which has, in connection with a scheme of reconstruction or amalgamation, issued any unissued share capital shall be treated as if it had increased its nominal share capital.
- (3) A company shall not be deemed to be a particular existing company within the meaning of this section unless it is provided by the memorandum of association of, or the letters patent or Act incorporating, the transferee company that one of the objects for which the company is established is the acquisition of the undertaking of, or shares in, the existing company, or unless it appears from the resolution, Act or other authority for the increase of the capital of the transferee company that the increase is authorised for the purpose of acquiring the undertaking of, or shares in, the existing company.
- (4) In a case where the undertakings of or shares in two or more companies are to be acquired, the amount of the reduction to be allowed under this section in respect of the stamp duty chargeable in respect of the nominal share capital or the increase of the capital of a company shall be computed separately in relation to each of those companies.
- (5) Where a claim is made for exemption under this section, the Commissioners of Inland Revenue may require the delivery to them of a statutory declaration in such form as they may direct, made in England by a solicitor of the Supreme Court or in Scotland by an enrolled law agent, and of such further evidence, if any, as the Commissioners may reasonably require.
- (6) If—
- (a) where any claim for exemption from duty under this section has been allowed, it is subsequently found that any declaration or other evidence furnished in support of the claim was untrue in any material particular, or that 'the conditions specified in subsection (1) of this section are not fulfilled in the reconstruction or amalgamation as actually carried out; or
 - (b) where shares in the transferee company have been issued to the existing company in consideration of the acquisition, the existing company within a period of two years from the date, as the case may be, of the registration or incorporation, or of the authority for the increase of the capital, of the transferee company ceases, otherwise than in consequence of reconstruction, amalgamation or liquidation, to be the beneficial owner of the shares so issued to it; or
 - (c) where any such exemption has been allowed in connection with the acquisition by the transferee company of shares in another company, the transferee company within a period of two years from the date of its registration or incorporation or of the authority for the increase of its capital, as the case may be, ceases, otherwise than in consequence of reconstruction, amalgamation or liquidation, to be the beneficial owner of the shares so acquired;

the exemption shall be deemed not to have been allowed, and an amount equal to the duty remitted shall become payable forthwith, and shall be recoverable from the transferee company as a debt due to His Majesty, together with interest thereon at the rate of five per cent. per annum in the case of duty remitted under paragraph (A) of

subsection (1) of this section from the date of the registration or incorporation of the transferee company or the increase of its capital, as the case may be, and in the case of duty remitted under paragraph (B) of the said subsection from the date on which it would have become chargeable if this Act had not passed.

- (7) If in the case of any scheme of reconstruction or amalgamation the Commissioners of Inland Revenue are satisfied that at the proper time for making a claim for exemption from duty under subsection (1) of this section there were in existence all the necessary conditions for such exemption other than the condition that not less than ninety per cent. of the issued share capital of the existing company would be acquired by the transferee company, the Commissioners may, if it is proved to their satisfaction that not less than ninety per cent. of the issued capital of the existing company has under the scheme been acquired within a period of six months from the earlier of the two following dates, that is to say—

- (a) the last day of the period of one month after the first allotment of shares made for the purposes of the acquisition; or
- (b) the date on which an invitation was issued to the shareholders of the existing company to accept shares in the transferee company;

and on production of the instruments on which the duty paid has been impressed, direct repayment to be made of such an amount of duty as would have been remitted if the said condition had been originally fulfilled.

- (8) In this section, unless the context otherwise requires—

References to the undertaking of an existing company include references to a part of the undertaking of an existing company :

The expression " shares " includes stock.

56 Provision as to stamp duty on powers of attorney

No instrument chargeable with stamp duty under the heading " Letter or Power of Attorney, and " Commission, Factory, Mandate, or other instrument in " the nature thereof" in the First Schedule to the Stamp Act, 1891, shall be charged with duty more than once by reason only that more persons than one are named in the instrument as donors or donees (whether jointly, severally or otherwise), of the powers thereby conferred or that those powers relate to more than one matter.

57 Construction, short title, application and repeal

- (1) Part I. of this Act so far as it relates to duties of customs shall be construed together with the Customs (Consolidation) Act, 1876, and any Acts amending that Act, and the said Part I. so far as it relates to duties of excise shall be construed together with the Acts which relate to the duties of excise and the management of those duties, and the expression " the Commissioners" in the said Part I. means the Commissioners of Customs and Excise.
- (2) Part II of this Act shall be construed together with the Income Tax Acts.
- (3) Any reference in this Act to any enactment shall be construed as a reference to that enactment as amended by any subsequent enactment, including this Act.
- (4) This Act may be cited as the Finance Act, 1927.
- (5) Such of the provisions as relate to matters with respect to which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.

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- (6) The enactments set out in Part II. of the Sixth Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Schedule.