



Finance Act 1928

1928 CHAPTER 17

PART III

MISCELLANEOUS

23 Permanent annual charge for National Debt

- (1) The provisions contained in section thirty-two of the Finance Act, 1923, which relate to the New Sinking Fund (1923) and the annual charges for the National Debt, shall cease to have effect and in lieu thereof the following provisions of this section shall have effect.
- (2) There shall be issued out of the Consolidated Fund of the United Kingdom or the growing produce thereof at such times and in such manner as the Treasury may from time to time direct, so, however, that the whole amount to be issued in respect of any financial year shall be issued in that year, the sums following, that is to say:—

In the financial year ending on the thirty-first day of March, nineteen hundred and twenty-nine, the sum of three hundred and sixty-nine million pounds:
In the financial year ending on the thirty-first day of March, nineteen hundred and thirty, and in every subsequent year, the sum of three hundred and fifty-five million pounds.
- (3) The sum to be issued as aforesaid in each financial year (in this section referred to as "the permanent annual charge for the National Debt") shall be applied in the first place in meeting the annual charges in respect of that year for the National Debt in respect of interest and management (including expenses incurred in connection with the raising of money or the issue or exchange of securities).

For the purposes of this subsection the expression "interest" includes such part as represents interest of the terminable annuities which would, if the Finance Act, 1923, had not passed, have been payable out of the permanent annual charge under the Sinking Fund Act, 1875, but does not include any interest payable in respect of savings certificates or the interest on any loans raised under any Act passed after the commencement of this Act which does not direct that interest to be paid out of the permanent annual charge for the National Debt.

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- (4) The balance in each financial year of the permanent annual charge for the National Debt after meeting the annual charges mentioned in the last preceding subsection shall be issued for the following purposes and in the following order :—
- (a) In paying such part of the said terminable annuities as represents capital:
 - (b) For providing such sums as are required—
 - (i) for the purposes of the sinking funds established in pursuance of section two of the War Loan Act, 1919, in connection with the four per cent. Victory Bonds and four per cent. Funding Loan, 1980-1990;
 - (ii) for the purposes of the sinking fund established under section forty-five of the Finance Act, 1921, in connection with the three and one-half per cent. Conversion Loan;
 - (iii) for the purpose of any undertaking contained in any prospectus to purchase and cancel four per cent. Consolidated Loan;
 - (iv) for meeting such part of the annual payments due to the Government of the United States of America in respect of the American Loan as represents capital;
 - (v) for making any payments required to be made to the National Debt Commissioners in pursuance of section three of the War Loan Act, 1919, in respect of Victory Bonds or Funding Loan, 1960-1990, accepted by the Commissioners of Inland Revenue in payment of death duties:
 - (c) In meeting the interest payable in respect of savings certificates :
 - (d) In providing the sums required for the purposes of the Depreciation Fund established under section thirty-two of the Finance Act, 1917 :
 - (e) In the purchasing, redeeming or paying off of any other description of debt charged on the Consolidated Fund, other than advances made by the Bank of England or the Bank of Ireland under section twelve of the Exchequer and Audit Departments Act, 1866, or loans raised under any Act to meet ways and means.
- (5) The balance aforesaid (except such part thereof as may be applied in meeting the interest payable in respect of saving certificates) is in this section referred to as "the New Sinking Fund (1928)" and shall be applied for the purposes specified in subsection (4) of this section within nine months after the date of the issue thereof.
- (6) The New Sinking Fund (1928) except such part thereof as, in the opinion of the Treasury, is from time to time required for meeting charges in connection with the redemption of loans repayable outside the United Kingdom, shall be issued to the National Debt Commissioners for the purpose of being applied by them in manner provided by the foregoing provisions of this section, and the provisions of section seven of the Sinking Fund Act, 1875 (which relates to accounts of the new and old sinking funds) shall apply in relation to the new sinking fund established by this section as they apply in relation to the new sinking fund established by that Act, and all securities purchased or redeemed in pursuance of this section, except four pounds per cent. Victory Bonds and four pounds per cent. Funding Loan, 1960-90, purchased by the National Debt Commissioners, and held by them on the account opened under the regulations made in pursuance of subsection (2) of section three of the War Loan Act, 1919, shall be cancelled forthwith in such manner as the Treasury may from time to time direct.

24 Suspense account

- (1) The Old Sinking Fund for the years ending respectively on the thirty-first day of March, nineteen hundred and twenty-eight, and the thirty-first day of March, nineteen hundred and twenty-nine, shall, instead of being issued to the National Debt Commissioners in accordance with the provisions of section five of the Sinking Fund Act, 1875, be issued from the Consolidated Fund of the United Kingdom or the growing produce thereof at such times as the Treasury direct and carried to an account to be established for the purposes of this section and to be known as " the Rating Relief Suspense Account."
- (2) The Treasury may out of revenue during the current financial year pay to the Rating Relief Suspense Account such sums as they think fit, and any amount so paid shall be deemed to be expenditure within the meaning of sections four and five of the Sinking Fund Act, 1875.
- (3) All sums carried to the Rating Relief Suspense Account in accordance with the provisions of this section shall be applied in such manner as Parliament may hereafter determine.

25 Payment to Exchequer out of unclaimed dividends account

The National Debt Commissioners shall, as and when the Treasury request, pay into the Exchequer out of their account of unclaimed dividends under Part VII of the National Debt Act, 1870, sums not exceeding in the whole one million pounds, and may for that purpose sell any stock standing to the credit of that account.

26 Interest on Victory Bonds or Funding Loan held by National Debt Commissioners not to be paid

The interest from time to time payable to the National Debt Commissioners in respect of any 4 per cent. Victory Bonds or 4 per cent. Funding Loan (1960-1990) held by them on the account opened in pursuance of the regulations made by the Treasury under subsection (2) of section three of the War Loan Act, 1919, shall not be paid, and the sum which under section two of the said Act is required to be set aside at the close of each half-year shall be reduced by an amount equal to the amount of the interest which would but for this section have been payable to the National Debt Commissioners.

27 Power to make temporary advances to Road Fund

- (1) The Treasury may at any time within any financial year temporarily advance to the Road Fund out of the Consolidated Fund of the United Kingdom or the growing produce thereof such sums, not exceeding in the aggregate the estimated income of the Road Fund for the said year, as may from time to time be required for the purpose of making any payments properly falling to be made out of the Road Fund.
- (2) Any sums advanced under this section shall be charged on the Road Fund and repaid thereout to the Exchequer before the end of the said year.

28 Fines under 17 & 18 Geo.5 c.37 to be paid into the Exchequer

All fines imposed in respect of offences under the Road Transport Lighting Act, 1927, or the regulations made thereunder shall be paid into the Exchequer in the same

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manner as penalties and forfeitures recovered under or in pursuance of the Roads Act, 1920, and in accordance with such directions as may be contained with respect to such penalties and forfeitures in any Order in Council for the time being in force under that Act, and any sums paid into the Exchequer under this section shall, for the purposes of section two of the Roads Act, 1920 (which provides for payment out of the Consolidated Fund to the local taxation accounts and to the Road Fund), be deemed to have been paid into the Exchequer under that Act.

29 Power to borrow sums required for meeting interest on savings certificates

- (1) It shall be lawful for the Treasury to borrow, in accordance with the provisions of this section, any sums required for meeting any interest which may from time to time become payable in respect of savings certificates and is not otherwise provided for under this Act.
- (2) Any sums which the Treasury have power to borrow under this section may be raised in such manner as the Treasury think fit, and for that purpose they may create and issue any securities by means of which any loan has been or may be raised, or such other securities bearing such rate of interest and subject to such conditions as to repayment, redemption or otherwise as they think fit.
- (3) The principal and interest of any securities issued under this section and any sums required for defraying any expenses incurred in connection with the raising of those sums shall be charged on the Consolidated Fund of the United Kingdom or the growing produce thereof.
- (4) In this Act the expression " savings certificates " means war savings certificates and national savings certificates.

30 Exemption from income tax, estate duty and stamp duties in case of trust funds and gifts for reduction of National Debt

- (1) Where any property is held upon trust in accordance with directions which are valid and effective under section nine of the Superannuation and other Trust Funds (Validation) Act, 1927 (which provides for the validation of trust funds for the reduction of the National Debt), any income arising from that property or from any accumulations of any such income and. any profits of any description otherwise accruing to the property and liable to be accumulated under the trust shall be exempt from income tax.
- (2) Where any person gives such directions as are mentioned in the said section nine by any instrument, and the directions take effect during his life and immediately after the making of the instrument, the property directed to be held in accordance with those directions shall be exempt from estate duty, unless the Treasury, within three months after they receive notice of the taking effect of the instrument, disclaim the interest of the National Debt Commissioners under the said directions.
- (3) Where an absolute gift of any property is made during the lifetime of the donor to the National Debt Commissioners to be applied by them in reduction of the National Debt, the property shall be exempt from estate duty as from the date when it is transferred to the Commissioners.
- (4) Any instrument by which any property is transferred, to trustees to be held upon trust in accordance with directions which are valid and effective under the said section

nine or by which any property is conveyed by way of absolute gift to the National Debt Commissioners to be applied by them in reduction of the National Debt shall be exempt from stamp duty.

31 Amendment of s.55 of 17 & 18 Geo.5 c.10

Subsection (1) of section fifty-five of the Finance Act, 1927 (which relates to relief from capital and transfer stamp duty in the case of reconstructions or amalgamations of companies), shall be amended as follows :—

- (1) The following shall be substituted for paragraph (a) (ii) :—
 - “(ii) the amount to be credited as paid up on the shares to be issued as such consideration as aforesaid and on the shares, if any, to be issued to creditors of the existing company in consideration of the release of debts (whether secured or unsecured) due or accruing due to them from the existing company or of the assignment of such debts to the transferee company.”
- (2) In paragraph (b) there shall be inserted after the words " transfer of the undertaking or shares " the words "or on any instrument " made for the purposes of or in connection " with the assignment to the transferee company of any debts, secured or unsecured, " of the existing company."
- (3) At the end there shall be inserted the following additional proviso:—

“; and

 - (c) the foregoing provision with respect to the release and assignment of debts of the existing company shall not, except in the case of debts due to banks or to trade creditors, apply to debts which were incurred less than two years before the proper time for making a claim for exemption under this section.”

32 Extension of s.114 of Stamp Act, 1891, to stock of certain guaranteed loans

- (1) Section one hundred and fourteen of the Stamp Act, 1891 (which provides for the payment of a composition for the stamp duty chargeable on transfers of certain colonial stocks), shall extend to any guaranteed stock issued by the Government of any part of His Majesty's dominions outside the United Kingdom or of any territory which is under His Majesty's protection or in respect of which a mandate on behalf of the League of Nations has been accepted by His Majesty.
- (2) This section shall, in relation to stock guaranteed by the Treasury in pursuance of the Palestine and East Africa Loans Act, 1926, and issued before the commencement of this Act, have effect as if it had been in force on the date of the issue of the stock.
- (3) For the purposes of this section the expression " guaranteed stock " means stock, the principal of or interest on which is guaranteed by any Act of the Parliament of the United Kingdom or by the Treasury in pursuance of any such Act.

33 Amendment of s.73 of Taxes Management Act, 1880

Where by virtue of subsection (5) or subsection (8) of section seventy-three of the Taxes Management Act, 1880, the Land Tax Commissioners, or the Commissioners

of Inland Revenue respectively, have power to appoint a collector of Land Tax for any area, those Commissioners shall appoint a collector for that area to hold office during their will and pleasure, and subsection (1) of that section shall have effect as if for the words " in the month of April in each year," there were substituted the words " within a month from the occurrence of a vacancy for a collector, " and subsection (8) of that section shall have effect as if—

- (a) for the words "on or before the thirty-first day of May in any year," there were substituted the words " within two months after the date at which a vacancy has occurred " ; and
- (b) the words " for that and for every subsequent year " were omitted.

34 Amendment of s.37 of 7 & 8 Geo.5 c.31

Section thirty-seven of the Finance Act, 1917, (which contains provisions for facilitating dealings with Government stock), shall be amended by the insertion at the end thereof of the following paragraph :—

- “(i) for providing that, in the case of Government stock standing in the name of a stockholder (including a joint stockholder) who is an infant and is domiciled in Scotland, any document requiring to be executed for the purpose of a transfer, or in connection with the receipt or accumulation of dividends or the receipt or re-investment of redemption moneys, shall, subject to the provisions of the regulations, be deemed to be sufficiently executed if executed by such persons and in such manner as would be sufficient under the law of Scotland.”

35 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 (except that the expression "the United Kingdom" in this Act shall not include the Isle of Man), 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 to the management of those duties, and the expression " the Commissioners " in the said Part I means the Commissioners of Customs and Excise.
- (2) This Act so far as it relates to income tax 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, 1928.
- (5) Such of the provisions of this Act as relate to matters with respect to which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.
- (6) The enactments set out in the Fifth Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Schedule.