



# Finance Act 1951

## 1951 CHAPTER 43

### PART I

#### CUSTOMS, EXCISE AND PURCHASE TAX

##### *Customs and Excise (changes in rates etc.)*

### **1 Hydrocarbon oils petrol substitutes and power methylated spirits**

- (1) Sections one to three of the Finance Act, 1950 (which relate to the duties of customs and excise on hydrocarbon oils and to the duty of excise on petrol substitutes), shall have effect as if in the said section one—
- (a) in subsection (1) (which relates to the rate of customs duty) for the words from " eighteen pence a gallon " onwards there were substituted the words " one shilling and tenpence halfpenny a gallon ";
  - (b) in subsection (2) (which relates to the rates of the customs rebates allowed on the delivery for home consumption of heavy oils) for the words from " eighteen pence a gallon " to the end of paragraph (a) there were substituted the words " one shilling and ten pence halfpenny a gallon ", and for the words from " seventeen pence a gallon " to the end of paragraph (b) there were substituted the words " one shilling and ninepence halfpenny a gallon " ;

and the rate of the duty of excise charged under section three of the Finance Act, 1938, on spirits used for making power methylated spirits shall be the same as that at which the said duty of customs on hydrocarbon oils is for the time being chargeable:

Provided that the allowance payable under subsection (4) of section eight of the Finance (No. 2) Act, 1945, in respect of indigenous oils used in a refinery shall not be increased by virtue of this subsection in the case of oils charged with the excise duty on their removal to a refinery before the increased rate for the duty had come into force.

- (2) This section, except as respects power methylated spirits, shall have effect as from six o'clock in the evening of the tenth day of April, nineteen hundred and fifty-one and as respects power methylated spirits shall have effect as from the eleventh day of that month.

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## 2 Entertainments duty

- (1) Section six of the Finance Act, 1943, and the other enactments relating to entertainments duty shall have effect as if for the rates of duty provided for by Part II of the Fifth Schedule to that Act (which gives the full rates of the duty) there were substituted the rates of duty set out in the First Schedule to this Act.
- (2) This section shall have effect, and be deemed to have had effect, as respects payments for admission to entertainments held on or after the fifth day of August, nineteen hundred and fifty-one, other than payments made before the eleventh day of April in that year.

## 3 Three-year extension of key industry duty

Part I of the Safeguarding of Industries Act, 1921, shall continue in force until the beginning of the nineteenth day of August, nineteen hundred and fifty-four.

## 4 Reduction of match duties

- (1) In lieu of the duties of customs and excise charged on matches under section seven of the Finance Act, 1949, there shall be charged on matches imported into the United Kingdom duties of customs, and on matches manufactured in the United Kingdom duties of excise, at the following rates, that is to say—

	<i>Rate of customs duty.</i>		<i>Rate of excise duty.</i>	
	s.	d.	s.	d.
(a) for every 10,000 matches in containers in which there are not more than 30 matches	19	11	19	2
(b) for every 7,200 matches in containers in which there are more than 30 matches	14	5	13	9

and so in proportion for any less number of matches.

- (2) This section shall have effect from the first day of August, nineteen hundred and fifty-one.

## 5 Amendment of excise duty on mechanical lighters

- (1) For all purposes of section six of the Finance Act, 1928, relating to the excise duty on mechanical lighters.—
- (a) any prescribed component of a mechanical lighter, or assembly which includes such a component (other than an assembly forming a complete

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mechanical lighter or a mechanical lighter which could be made complete by the addition of a flint), shall be deemed to be a mechanical lighter, but incomplete; and

- (b) any reference to a manufacturer of mechanical lighters shall include a person by whom any such component or assembly has been manufactured in the course of a business carried on by him, notwithstanding that he has not carried on the manufacture at a time when such a component or assembly is deemed to be a mechanical lighter.
- (2) Subject to the next following subsection the expression " prescribed component" in this section means, in relation to any class or description of mechanical lighters, such one of the component parts of a lighter of that class or description as the Treasury may by order designate for this purpose as being in such a lighter the component part or one of the component parts least likely to require replacement.
- (3) Until otherwise provided by an order under the last foregoing subsection, the prescribed component of a lighter appearing to the Commissioners to be constructed solely for the purpose of igniting gas for domestic use shall, in the case of electrical lighters and flint lighters, be the stem (of the electrical lighter) and the frame (of the flint lighter), whether a rigid frame or a spring frame.
- (4) An order made under this section may be varied or revoked by a subsequent order so made.
- (5) The power to make orders under this section shall be exercisable by statutory instrument and any statutory instrument by which the power is exercised shall be laid before the Commons House of Parliament after being made.
- (6) Any statutory instrument under this section which extends the incidence of duty shall cease to have effect on the expiration of a period of twenty-eight days from the date on which it is made, unless at some time before the expiration of that period it has been approved by a resolution of the Commons House of Parliament, but without prejudice to anything previously done thereunder or to the making of a new order.

In reckoning any such period of twenty-eight days as aforesaid no account shall be taken of any time during which Parliament is dissolved or prorogued or during which the Commons House is adjourned for more than four days.

- (7) Any other statutory instrument under this section shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.
- (8) This section shall have effect as from the eleventh day of April, nineteen hundred and fifty-one.

*Amendments to give effect to agreements affecting Customs and Excise*

## **6 Valuation of goods for purpose of ad valorem duties**

- (1) For the purpose of any enactment for the time being in force under which a duty of customs is chargeable on goods by reference to their value, the value of any imported goods shall be taken to be that laid down by the Second Schedule to this Act, and duty shall be paid on that value:

Provided that, in the case of goods imported under a contract of sale and entered for home consumption, duty shall be deemed to have been paid on that value if, before

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the goods are delivered for home consumption, duty is tendered and accepted on a declared value based on the contract price.

- (2) For the purpose of the proviso to the foregoing subsection—
- (a) the declared value of any goods is their value as declared by or on behalf of the importer in making entry of the goods for home consumption;
  - (b) that value shall be deemed to be based on the contract price if, but only if, it represents that price properly adjusted to take account of circumstances differentiating the contract from such a contract of sale as is contemplated by the Second Schedule to this Act;
  - (c) the rate of exchange to be used for determining the equivalent in sterling of any foreign currency shall be the current selling rate in the United Kingdom as last notified before the time when the goods are entered for home consumption.
- (3) The Commissioners may by statutory instrument make regulations for the purpose of giving effect to the foregoing provisions of this section, and in particular for requiring any importer or other person concerned with the importation of goods into the United Kingdom to furnish to the Commissioners, in such form as they may require, such information as is, in their opinion, necessary for a proper valuation of the goods and to produce any books of account or other documents of whatever nature relating to the purchase, importation, or sale of the goods by that person; and if any person contravenes or fails to comply with any regulations made under this section, he shall in respect of each offence be liable to a customs penalty of fifty pounds.
- As from the commencement of this Act, any regulations made by the Commissioners under subsection (3) of section fifteen of the Import Duties Act, 1932, which are in force at that commencement shall have effect as if made under this subsection.
- (4) Section sixteen of the Import Duties Act, 1932 (which relates to the determination of disputes as to value), shall apply in relation to any duty of customs chargeable on goods by reference to their value as it applies in relation to a duty chargeable under that Act.
- (5) In any scheme having effect under section nine of the Finance Act, 1932 (which provides for allowing drawback of certain duties in respect of imported goods used as materials in making articles exported or shipped as stores), or under that section as applied by any subsequent enactment, references to the value of any goods at importation shall, whether the scheme took effect before or after the passing of this Act, be taken as referring to the value on which duty was paid on those goods, unless otherwise provided by the scheme.
- (6) Notwithstanding anything in section eleven of the Finance Act, 1944, or subsection (1) of section fourteen of the Finance (No. 2) Act, 1945 (which relate to the application for purposes of purchase tax of enactments relating to customs generally), the foregoing provisions of this section shall not affect the law relating to purchase tax, and accordingly subsection (2) of the said section eleven shall have effect with the substitution of a reference to this section for the reference to section ten of the Finance Act, 1935.

## 7 **Unesco agreement (blind welfare and news-reels)**

The Third Schedule to this Act shall have effect with a view to enabling effect to be given to an agreement which was drawn up at the fifth session of the General

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Conference of the United Nations Educational, Scientific and Cultural Organisation, and of which His Majesty's Government in the United Kingdom is a signatory.

## 8 Pakistan trade agreement

With a view to the fulfilment of the agreement made on the second day of April, nineteen hundred and fifty-one, between His Majesty's Governments in the United Kingdom and in Pakistan (being the agreement set out in the Fourth Schedule to this Act), the Ottawa Agreements Act, 1932, and any other enactment relating to customs which amends or relates to that Act shall have effect as from that date as if the said agreement were included among the agreements scheduled to the said Act of 1932, and as if accordingly any reference to a country the Government of which is a party to one of the scheduled agreements within the meaning of that Act, or a country between the Government of which and His Majesty's Government in the United Kingdom any of those agreements was made, applied to Pakistan by virtue of the said agreement and not by virtue of the agreement made in the year nineteen hundred and thirty-nine between His Majesty's Government in the United Kingdom and the Government of India.

## 9 Dried and crystallized figs

- (1) For the entry in the Schedule to the Customs Tariff Act, 1876, relating to figs (under which there is charged a duty of seven shillings a hundredweight) there shall be substituted the following entry:—

“Figs—		
Per cwt.		
	s.	d.
dried	6	0
drained or crystallized	7	0.”

- (2) In section twenty-one of the Finance Act, 1916 (which provides for drawback of certain of the duties under the said Act of 1876), after the words "dried figs" there shall be inserted the words " drained or crystallized figs. "
- (3) This section shall come into force on the first day of September, nineteen hundred and fifty-one.

*Customs and Excise (drawbacks and minor amendments)*

## 10 Extension of drawbacks of hydrocarbon oil duties

- (1) The Treasury may by order direct as respects articles of any class or description specified in the order that, subject to the provisions of the order, drawback shall be allowed under Subsection (6) of section two of the Finance Act, 1928 (which as extended by the Finance Act, 1950, relates to drawback of the customs and excise duties on hydrocarbon oils), in-respect of hydrocarbon oil (or goods containing it) used as a material, solvent, preservative or finish in the manufacture or preparation of the articles, and thereupon the enactments relating to drawback of the said duties shall have effect, subject to the provisions of the order and of this section, as if any reference

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in the said subsection (6) to an article in which there is contained any hydrocarbon oil used as an ingredient in the manufacture or preparation thereof included a reference to an article of the class or description specified in the order.

- (2) An order made under this section as respects articles of any class or description—
- (a) may provide for drawback to be allowed in respect of hydrocarbon oil (or goods containing it) used as a material, solvent, preservative or finish in the manufacture or preparation not directly of articles of that class or description but of articles incorporated in them; and
  - (b) may provide that the quantity of hydrocarbon oil as respects duty on which drawback is to be allowed shall be determined by reference to average quantities or otherwise;

but no drawback of excise duty shall be allowed by virtue of this section on oil used in a refinery in such circumstances that an allowance is payable in respect thereof under subsection (4) of section eight of the Finance (No. 2) Act, 1945.

- (3) The power of the Treasury to make orders under this section shall be exercisable by statutory instrument, which shall be subject to annulment by resolution of the Commons House of Parliament, and any order made by the Treasury under this section may be varied or revoked by a subsequent order made by them.
- (4) The power of the Commissioners to make regulations under section three of the Finance Act, 1928, and section two of the Finance Act, 1950, with respect to the duties on hydrocarbon oils and the drawbacks of those duties shall include power to make provision for regulating the allowance and payment of drawback by virtue of this section and for making it subject to such conditions as they think fit to impose for the protection of the revenue.

## **11 Extension of power to allow drawback under Import Duties Act, 1932, Sch. 2**

- (1) The Second Schedule to the Import Duties Act, 1932 (which relates to drawback of import duties on the re-exportation, etc., in the same state and unused, of imported goods of any class or description specified in an order of the Treasury), shall be amended as follows:—

- (a) drawback as respects any imported goods may be allowed in the following case (either as well as or instead of being allowed in the case of the exportation or shipment as stores of those goods as mentioned in paragraph 3 of the Schedule), that is to say.—

on the exportation or shipment as stores (either by the importer of those goods or by some person who has taken delivery of the goods or articles incorporating them directly from that importer) of articles incorporating those goods in the same state as that in which they were imported, neither the imported goods nor any articles incorporating them having been used otherwise than by their incorporation in other articles;

- (b) an order under the Schedule, where it appears to the Treasury, as respects goods of any class or description, that drawback ought not to be allowed generally or ought to be allowed for a limited period only, may give directions for it to be allowed as respects those goods subject to restrictions, or for a period, specified in the order.

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- (2) References in any enactment passed before this Act to the said Second Schedule and to paragraph 3 thereof shall be construed as respectively including references to the foregoing subsection and to paragraph (a) thereof.
- (3) Where an order of the Treasury (whether made before or after the commencement of this Act) provides for the allowance of drawback under the said Second Schedule or any enactment applying it, then subject to any such order made after that commencement the drawback shall be allowed in the case mentioned in paragraph (a) of subsection (1) of this section as well as in the case mentioned in paragraph 3 of that Schedule.
- (4) Drawback allowed before the commencement of this Act shall not be deemed to have been wrongly allowed if it would have been allowable by virtue of paragraph (a) of subsection (1) of this section had the foregoing provisions of this section then been in force.

## **12 Relief from duty on temporary importations not qualifying for drawback**

- (1) Where the Commissioners are satisfied, in the case of any goods imported or proposed to be imported after the coming into force of this section,—
  - (a) that it is intended to re-export the goods or articles in incorporating them or to use them as materials for the production of articles for export; and
  - (b) that there are special reasons why, with a view to promoting the interests of the export trade or similar interests, any duties chargeable in respect of the importation of the goods under Part I of the Import Duties Act, 1932, or under the Safeguarding of Industries Act, 1921, should not be charged if the goods or articles incorporating them are re-exported, or the goods are used as materials for the production of articles which are exported; and
  - (c) that the provisions other than this section giving relief from the duties in question, whether by way of drawback or otherwise, are inapplicable or inappropriate;then the Commissioners shall have power to grant relief from those duties, subject to such conditions as they may impose for the protection of the revenue.
- (2) The Commissioners shall exercise the power conferred by this section only after consultation with the Board of Trade, except in such cases as may be agreed between the Commissioners and the Board.
- (3) The Commissioners shall not exercise that power in the case of any goods except on a written application made by the importer before delivery of the goods to him.

## **13 Bottling of wine in bond for home consumption**

Section ninety-five of the Customs Consolidation Act, 1876 (under which British spirits may be bottled in warehouse for home consumption, but wine may be so bottled for export only), shall have effect with the substitution for the words "draw off British spirits into bottles for home consumption" of the words "draw off wine or British spirits into bottles for home consumption"; and accordingly section four of the Finance Act, 1944 (which authorised vintage port to be bottled in a warehouse for home consumption), shall cease to have effect.

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#### **14 Tobacco licences for vehicles in special cases**

- (1) Notwithstanding anything in section ten of the Excise Licences Act, 1825, or in section nine of the Customs and Inland Revenue Act, 1890 (which require an excise licence to be for a single set of premises), a licence under the Excise Licences Act, 1825, to deal in or sell tobacco or snuff may, where the Commissioners are satisfied that it is necessary for the purpose of meeting an exceptional but temporary need, be granted so as to authorise the sale of tobacco or snuff by retail from a registered goods vehicle when stationed at a place specified in the licence; and the enactments relating to the dealing in and sale of tobacco or snuff, other than section twenty-five of the said Act of 1825 (which relates to the licensee's name being displayed on the licensed premises), shall apply accordingly as if the place specified in a licence so granted were premises of the person authorised to sell tobacco there.
- (2) Any licence granted by virtue of this section may be granted subject to such conditions as the Commissioners think fit to impose.

#### *Purchase tax*

#### **15 Purchase tax (changes in rates etc.)**

- (1) The enactments relating to purchase tax shall have effect as if in Part I of the Eighth Schedule to the Finance Act, 1948 (as amended by subsequent enactments and by orders of the Treasury under section twenty-one of that Act), there were made the amendments provided for by the Fifth Schedule to this Act, but subject to any further order of the Treasury under the said section twenty-one.
- (2) The said amendments shall have effect as from the eleventh day of April, nineteen hundred and fifty-one, except that the amendments provided for by Part II of the said Fifth Schedule shall only have effect as from the twenty-fifth day of June, nineteen hundred and fifty-one.