

2005 No. 409

TAXES

**The Finance Act 1993, Section 86(2), (Single Payment Scheme)
Order 2005**

<i>Made</i> - - - -	<i>28th February 2005</i>
<i>Laid before House of Commons</i>	<i>1st March 2005</i>
<i>Coming into force</i> - -	<i>22nd March 2005</i>

The Treasury, in exercise of the powers conferred upon them by section 86(2) of the Finance Act 1993(a), make the following Order:

Citation, commencement, effect and interpretation

1.—(1) This Order may be cited as the Finance Act 1993, Section 86(2), (Single Payment Scheme) Order 2005 and shall come into force on 22nd March 2005.

(2) This Order shall have effect—

- (a) in a case where the old assets (but not the new assets) are payment entitlements under the single payment scheme, where the disposal of the old assets (or of the interest in them) takes place on or after the day on which this Order comes into force;
- (b) in a case where the new assets (but not the old assets) are payment entitlements under the single payment scheme, where the acquisition of the new assets (or of the interest in them) takes place on or after the day on which this Order comes into force; and
- (c) in a case where both the old assets and the new assets are payment entitlements under the single payment scheme, where both the disposal of the old assets (or of the interest in them) and the acquisition of the new assets (or of the interest in them) takes place on or after the day on which this Order comes into force.

(3) In this Order—

“the old assets” and “the new assets” have the same meanings as in section 152(1) of the Taxation of Chargeable Gains Act 1992(b),

“the single payment scheme” means income support for farmers in pursuance of Title III of Council Regulation (EC) No. 1782/2003(c), and

“payment entitlements”, in relation to the single payment scheme, means rights to receive payments in pursuance of that scheme.

(a) 1993 c. 34. Section 86(2) was amended by section 43(3) of the Finance Act 2002 (c. 23).

(b) 1992 c. 12.

(c) O.J. No. L 270, 21.10.2003, p.1, as last amended by Council Regulation (EC) No. 864/2004 (O.J. No. L 161, 30.4.2004, p.48 as corrected by a corrigendum at O.J. No. L 206, 9.6.2004, p.20).

New class of assets for the purposes of roll-over relief etc

2.—(1) Section 155 of the Taxation of Chargeable Gains Act 1992(a) (relevant classes of assets for the purposes of roll-over relief) is amended as follows.

(2) After Class 7 insert—

“CLASS 7A

Payment entitlements under the single payment scheme (that is, the scheme of income support for farmers in pursuance of Title III of Council Regulation (EC) No. 1782/2003).”.

Nick Ainger

Joan Ryan

28th February 2005

Two of the Lords Commissioners of Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Order)

This Order further amends section 155 of the Taxation of Chargeable Gains Act 1992 (c. 12) (“the Act”). Section 155 specifies classes of assets which are subject to either roll-over relief under section 152 or 153 of the Act or relief in the case of depreciating assets (commonly known as “hold-over relief”) under section 154 of the Act, in respect of gains accruing on the disposal of those assets (or of the interest in them) when used for the purposes of a trade where certain conditions have been met.

Article 1 provides for the citation, commencement, effect and interpretation of the Order.

Article 2 introduces the amendment to section 155 of the Act. The effect of the amendment is to introduce another class of assets to the list contained in section 155, namely payment entitlements under the single payment scheme, which will be subject to relief under sections 152, 153 and 154 of the Act. The single payment scheme is a new system of support payments for farmers under the EU Common Agricultural Policy introduced by Council Regulation (EC) No. 1782/2003.

This Order does not impose any new costs on business.

(a) Section 155 was amended by section 86(1) of the Finance Act 1993, by article 3 of S.I. 1999/564 and by section 84(1) of the Finance Act 1999 (c. 16)

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