



Finance (No.2) Act 1987

1987 CHAPTER 51

PART I

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER V

TAXES MANAGEMENT PROVISIONS

Company returns

82 Return of profits.

- (1) With respect to any notice served after the appointed day, section 11 of the Management Act (return of profits) shall be amended in accordance with this section.
- (2) In subsection (1) for the words from “within the time limited by the notice” to the end there shall be substituted “not later than the final day determined under subsection (4) below a return of the profits and losses of the company containing such information and accompanied by such accounts, statements and reports as, subject to subsection (6) below, may be required in pursuance of the notice.”
- (3) For subsection (2) there shall be substituted the following subsection—
 - “(2) A notice under this section may require a return of profits and losses arising in any period specified in the notice (in this subsection referred to as “the specified period”) but, if the specified period does not coincide with an accounting period of the company and the company is within the charge to corporation tax in the whole or some part of the specified period, then—
 - (a) if an accounting period of the company ends in or at the end of the specified period, the notice shall be taken to require a return for that accounting period or, if there is more than one, for each of them;

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- (b) if no accounting period of the company ends in or at the end of the specified period but there is a part of the specified period which does not fall within an accounting period of the company, the notice shall be taken to require a return for that part of the specified period; and
- (c) if the specified period begins in or at the beginning of an accounting period of the company and ends before the end of that period, the notice shall be of no effect and, accordingly, the company shall not be required to make any return pursuant to it.”

(4) For subsections (4) to (6) there shall be substituted the following subsections—

- “(4) Subject to subsection (5) below, the final day for the delivery of any return required by a notice under this section shall be whichever is the later of—
- (a) the first anniversary of the last day of the period to which the return relates;
 - (b) the first anniversary of the last day of that period of account of the company in which falls the last day of the accounting period (if any) to which the return relates; and
 - (c) the end of the period of three months beginning on the day following that on which the notice was served.
- (5) In paragraph (b) of subsection (4) above “period of account” has the same meaning as in the principal Act, but for the purposes of that paragraph the last day of a period of account which is longer than eighteen months shall be treated as the day on which expires the period of eighteen months beginning on the first day of the period of account.
- (6) In relation to a company which—
- (a) is resident in the United Kingdom throughout the period to which the return relates (in this subsection referred to as “the return period”); and
 - (b) is required under the Companies Act 1985 to prepare accounts for a period consisting of or including the return period,
- the reference to accounts in subsection (1) above is a reference only to such accounts, containing such particulars and having annexed to them such documents, as are required under that Act to be so prepared.
- (7) The statements which may be required in pursuance of a notice under this section include statements showing the amount of tax (if any) chargeable.
- (8) Different information, accounts, statements and reports may be required in pursuance of a notice under this section in relation to different descriptions of company or different descriptions of profits and losses; and, in particular, information may be so required with respect to tax recoverable by virtue of section 286 of the principal Act (loans to participators) as if it were corporation tax, to advance corporation tax and to corporation tax already paid.
- (9) In the application of this section to a company registered in Northern Ireland, references to the Companies Act 1985 shall be construed as references to the Companies (Northern Ireland) Order 1986.”

83 Failure to make return for corporation tax.

With respect to failures to deliver returns required by notices served under section 11 of the Management Act after the appointed day, for section 94 of that Act (failure to make return for corporation tax) there shall be substituted the following section—

“94 Failure to make return for corporation tax.

- (1) If a company has been required by a notice served under section 11 of this Act (or under that section as extended by section 12 of this Act) to deliver a return for any period (in this section referred to as “the return period”) and the company fails to make proper delivery of the return, then, subject to subsections (3) and (5) below, the company shall be liable to a penalty which,—
 - (a) if the return is delivered before the expiry of the period of three months beginning on the day following the final day for the delivery of the return, shall be £100; and
 - (b) in any other case, shall be £200.
- (2) In relation to a return required by such a notice as is referred to in subsection (1) above,—
 - (a) any reference in this section (however expressed) to the delivery of the return is a reference to its delivery together with the accompanying accounts, statements and reports referred to in section 11(1) of this Act; and
 - (b) any reference in this section to making proper delivery of the return is a reference to the delivery of the return on or before the day which (in accordance with section 11(4) of this Act) is the final day for the delivery of the return.
- (3) In a case where—
 - (a) a company is required to deliver a return for a return period, and
 - (b) the return period is a period for which, under the Companies Act 1985, the company is required to deliver accounts to the Registrar of Companies,
the company shall not be liable to a penalty under subsection (1) above by reason of a failure to make proper delivery of the return if the return is delivered on or before the day which is the last day for the delivery to the Registrar of the accounts referred to in paragraph (b) above.
- (4) In the application of this section to a company registered in Northern Ireland, the reference in subsection (3) above to the Companies Act 1985 shall be construed as a reference to the Companies (Northern Ireland) Order 1986 and references to the Registrar of Companies shall be construed accordingly.
- (5) In any case where—
 - (a) a company is within the charge to corporation tax for three consecutive accounting periods, each of which is a return period, and
 - (b) at no time between the beginning of the first of those periods and the end of the last is the company outside the charge to corporation tax, and
 - (c) the company fails to make proper delivery of the return for the third of those periods, and

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(d) the company was liable to a penalty under this section in respect of each of the first two of those periods,

subsection (1) above shall have effect in relation to the failure referred to in paragraph (c) above as if for “£100” there were substituted “£500” and for “£200” there were substituted “£1,000”.

(6) If a company which has been required as mentioned in subsection (1) above to deliver a return fails to deliver the return before the expiry of the period of eighteen months beginning on the day following the last day of the return period, then (without prejudice to any penalty under the preceding provisions of this section) the company shall be liable to a penalty which,—

- (a) if the return is delivered before the expiry of the period of two years beginning on the day following that last day, shall be 10 per cent. of the tax unpaid at the end of the eighteen months referred to above; and
- (b) in any other case, shall be 20 per cent. of the tax unpaid at the end of those eighteen months.

(7) In subsection (6) above “the tax unpaid” at any time means the amount by which the corporation tax chargeable on the profits of the company for the return period which then remains unpaid exceeds any income tax borne by deduction from payments included in those profits.

(8) In determining for the purposes of subsection (7) above how much of the corporation tax chargeable on the profits of a company for the return period remains unpaid at any time, no account shall be taken of the discharge of any liability for that tax which, pursuant to a claim under subsection (3) of section 85 of the Finance Act 1972, is attributable to an amount of surplus advance corporation tax, as defined in that subsection, unless it is a surplus for an accounting period ending not later than two years after the end of the return period.”

84 Assessment of amounts due by way of penalty.

- (1) Where it appears to the inspector or the Board that any person is liable to a penalty under any provision of section 94 of the Management Act, the amount appearing to be due may be assessed by the inspector or the Board as if it were tax; and, subject to the provisions of this section, the provisions of the Management Act and section 247 of the Taxes Act relating to the assessment and collection of tax shall have effect accordingly.
- (2) An amount assessed under this section by way of penalty shall be due at the end of the period of thirty days beginning with the date of the issue of the notice of assessment.
- (3) In any case where—
 - (a) an assessment under this section relates to a penalty the amount of which falls to be determined under subsections (6) to (8) of section 94 of the Management Act, and
 - (b) after the assessment has been made, it appears to the inspector or the Board that the amount which was taken into account in the making of the assessment as the tax unpaid (as defined in subsection (7) of that section) was incorrect,
 all such adjustments shall be made, whether by way of amending the assessment, making a further assessment, repayment or otherwise as may be necessary to take account of the correct amount.

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- (4) At the end of section 70 of the Management Act (evidential certificates) there shall be inserted the following subsection—
- “(5) Where an amount has been assessed by way of penalty under section 94 of this Act and either no appeal has been brought against that assessment or the amount assessed has been confirmed or varied on appeal,—
- (a) a certificate of an inspector or other officer of the Board that an amount is due by way of penalty under that section, and
 - (b) a certificate of a collector that payment of that amount has not been made to him or, to the best of his knowledge and belief, to any other collector, or to a person acting on his behalf or on behalf of another collector,
- shall be sufficient evidence that the amount mentioned in the certificates is unpaid and is due to the Crown; and any document purporting to be such a certificate as is mentioned in this subsection shall be deemed to be such a certificate unless the contrary is proved.”
- (5) Where there is a failure to make proper delivery of a return, within the meaning of section 94 of the Management Act, an assessment of an amount due by way of penalty under any provision of that section may be made at any time within six years beginning on the day on which the failure began or, in the case of a penalty under subsection (6) of that section, at any later time within three years beginning at the time of the final determination of the amount which is the unpaid tax for the purposes of that subsection.
- (6) On an appeal against an assessment of an amount by way of penalty under section 94 of the Management Act, subsections (6) to (8) of section 50 of that Act shall not apply but the Commissioners—
- (a) may confirm the amount of the assessment or, if it appears to them that the amount assessed is greater or smaller than the penalty provided for under the said section 94, may reduce it or increase it to such an amount as is appropriate having regard to the provisions of that section; and
 - (b) if it appears to them that no penalty has been incurred, may set the assessment aside.
- (7) Nothing in sections 34 to 40 (time limits) of the Management Act applies to an assessment made by virtue of this section and nothing in section 55 of that Act (recovery of tax not postponed) applies to an appeal against such an assessment.
- (8) Section 100 of the Management Act (procedure for recovery of penalties) shall not apply to a penalty under section 94 of that Act.
- (9) This section has effect with respect to penalties incurred after the appointed day.

Interest etc.

85 Interest on overdue corporation tax etc.

With respect to accounting periods ending after the appointed day, after section 87 of the Management Act there shall be inserted the following section—

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“87A Interest on overdue corporation tax etc.

- (1) Corporation tax shall carry interest at the prescribed rate from the date when the tax becomes due and payable (in accordance with section 243(4) of the principal Act) until payment.
- (2) Subsection (1) above applies even if the date when the tax becomes due and payable (as mentioned in that subsection) is a non-business day within the meaning of section 92 of the Bills of Exchange Act 1882.
- (3) In relation to corporation tax assessed by virtue of section 266(2), section 267(3C), section 277(1) or section 278(5) of the Taxes Act or section 87(4) of the Capital Gains Tax Act 1979 (which enable unpaid corporation tax assessed on a company to be assessed on other persons in certain circumstances), the reference in subsection (1) above to the date when the tax becomes due and payable is a reference to the date when it became due and payable by the company.
- (4) In any case where—
 - (a) there is in any accounting period of a company (in this subsection referred to as “the later period”) an amount of surplus advance corporation tax, as defined in subsection (3) of section 85 of the Finance Act 1972, and
 - (b) pursuant to a claim under the said subsection (3), the whole or any part of that amount is treated for the purposes of the said section 85 as discharging liability for an amount of corporation tax for an earlier accounting period (in this subsection referred to as “the earlier period”), and
 - (c) disregarding the effect of the said subsection (3), an amount of corporation tax for the earlier period would carry interest in accordance with this section,

then, in determining the amount of interest payable under this section on corporation tax unpaid for the earlier period, no account shall be taken of any reduction in the amount of that tax which results from the said subsection (3) except so far as concerns interest for any time after the date on which any corporation tax for the later period became due and payable (as mentioned in subsection (1) above).

- (5) A sum assessed on a company by such an assessment as is referred to in subsection (2) of section 102 of the Finance Act 1972 (recovery of payment of tax credit or interest on such a payment) shall carry interest at the prescribed rate from the date when the payment of tax credit or interest was made until the sum assessed is paid.”

86 Supplementary provisions as to interest on overdue tax.

- (1) At the end of section 69 of the Management Act (recovery of interest on tax) there shall be added the words “or, if it is interest on tax which is not in fact assessed, as if it were tax charged and due and payable under an assessment”.
- (2) In section 86 of the Management Act (interest on overdue tax), subsection (2)(d) and paragraph 5 of the Table (which relate to assessed corporation tax) shall be omitted.

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- (3) References to section 86 of the Management Act in—
- (a) sections 70(2) and 92 of that Act (evidence, and remission of interest in certain cases), and
 - (b) paragraph 4 of Schedule 15 to the Finance Act 1973 (territorial extension of tax),
- shall include a reference to section 87A of the Management Act.
- (4) In section 88 of the Management Act (interest on tax recovered to make good loss due to taxpayer's fault)—
- (a) in subsection (2) (exclusion of certain non-assessed tax) after the words “in relation to” there shall be inserted “corporation tax or”; and
 - (b) in subsection (5), paragraph (e) (which relates to corporation tax) shall be omitted.
- (5) In section 91 of the Management Act (effect on interest of reliefs) after subsection (1) there shall be inserted the following subsections—
- “(1A) Where interest is payable under section 87A of this Act in respect of an amount of corporation tax for an accounting period, and relief from tax is given by a discharge of any of that corporation tax—
- (a) such adjustment shall be made of the amount of interest payable under that section in respect of corporation tax for that accounting period, and
 - (b) such repayment shall be made of any amounts of interest previously paid under that section in respect of that corporation tax,
- as are necessary to secure that the total sum (if any) paid or payable under that section in respect of corporation tax for that accounting period is the same as it would have been if the tax discharged had never been charged.
- (1B) Subsection (1A) above has effect subject to section 87A(4) of this Act.”
- (6) At the beginning of subsection (2) of that section there shall be inserted the words “Subject to subsection (2A) below” and at the end of that subsection there shall be added the following subsection—
- “(2A) In any case where—
- (a) relief from corporation tax is given to any person by repayment, and
 - (b) that tax was paid for an accounting period ending after the day which is the appointed day for the purposes of section 90 of the Finance (No. 2) Act 1987,
- that person shall be entitled to require that the amount repaid shall be treated for the purposes of this section, so far as it will go, as if it were a discharge of the corporation tax charged on him for that period.”
- (7) This section has effect with respect to accounting periods ending after the appointed day.

87 Interest on tax overpaid.

- (1) In any case where—
- (a) a repayment falls to be made of corporation tax paid by a company for an accounting period which ends after the appointed day, or

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- (b) a repayment of income tax falls to be made in respect of a payment received by a company in such an accounting period, or
- (c) a payment falls to be made to a company of the whole or part of the tax credit comprised in any franked investment income received by the company in such an accounting period,

then, from the material date until that repayment or payment is made, the repayment or payment shall carry interest at the rate which, under section 89 of the Management Act, is for the time being the prescribed rate for the purposes of this section.

- (2) In relation to corporation tax paid by a company for an accounting period, the material date for the purposes of this section is the date on which the corporation tax was paid or, if it is later, the date on which corporation tax for that accounting period became (or, as the case may be, would have become) due and payable in accordance with section 243(4) of the Taxes Act.
- (3) In relation to a repayment of income tax falling within subsection (1)(b) above or a payment of the whole or part of a tax credit falling within subsection (1)(c) above, the material date is the date on which corporation tax became (or, as the case may be, would have become) due and payable for the accounting period in which the payment referred to in subsection (1)(b) above or, as the case may be, the franked investment income referred to in subsection (1)(c) above was received by the company.
- (4) For the purposes of this section a repayment of tax made on a claim under subsection (5) of section 286 of the Taxes Act (loans to participators etc.) shall be treated as if it were a repayment of corporation tax for the accounting period in which the repayment of, or of the part in question of, the loan or advance mentioned in that subsection was made but, in relation to such a repayment of tax, the material date for the purposes of this section is—
 - (a) the date on which the loan or advance (or part thereof) is repaid; or
 - (b) if it is later, the date on which the tax which is to be repaid was in fact paid.
- (5) Interest paid under this section shall be paid without any deduction of income tax and shall not be brought into account in computing any profits or income.
- (6) Where a repayment of corporation tax is a repayment of tax paid by a company on different dates, the repayment shall as far as possible be treated for the purposes of this section as a repayment of tax paid on a later rather than an earlier date among those dates.
- (7) In any case where—
 - (a) there is in any accounting period of a company (in this subsection referred to as “the later period”) an amount of surplus advance corporation tax, as defined in subsection (3) of section 85 of the Finance Act 1972, and
 - (b) pursuant to a claim under the said subsection (3), the whole or any part of that amount is treated for the purposes of the said section 85 as discharging liability for an amount of corporation tax for an earlier accounting period (in this subsection referred to as “the earlier period”), and
 - (c) a repayment falls to be made of corporation tax paid for the earlier period,
 then, in determining the amount of interest (if any) payable under this section on the repayment of corporation tax for the earlier period, no account shall be taken of any increase in the amount of the repayment resulting from the said subsection (3) except so far as concerns interest for any time after the date on which any corporation tax for the later period became due and payable (as mentioned in subsection (2) above).

- (8) In consequence of the preceding provisions of this section, no repayment supplement, within the meaning of section 48 of the Finance (No. 2) Act 1975, shall be paid in respect of any repayment of tax or payment of tax credit where the relevant accounting period, within the meaning of that section, ends after the appointed day.

88 Recovery of overpayment of tax etc.

- (1) In section 30 of the Management Act (recovery of overpayment of tax etc.) after subsection (2) there shall be inserted the following subsection—

“(2A) In any case where—

- (a) interest has been paid under section 87 of the Finance (No. 2) Act 1987 on a repayment of tax, and
- (b) the whole or any part of that repayment has been paid to any person but ought not to have been paid to him, and
- (c) interest ought not to have been paid on that repayment, either at all or to any extent,

then the amount of the repayment assessed under subsection (1) above may include an amount equal to the interest that ought not to have been paid.”

- (2) After subsection (3) of that section there shall be inserted the following subsection—

“(3A) If, in a case not falling within subsection (2A) above,—

- (a) interest has been paid under section 87 of the Finance (No. 2) Act 1987 on a repayment of tax, and
 - (b) that interest ought not to have been paid, either at all or to any extent,
- then an amount equal to the interest that ought not to have been paid may be assessed and recovered as if it were unpaid corporation tax.”

- (3) At the end of subsection (4) of that section there shall be added the words “and an assessment to recover—

- (a) an amount of corporation tax repaid to a company in respect of an accounting period, or
- (b) an amount of income tax repaid to a company in respect of a payment received by the company in any accounting period, or
- (c) interest on any such repayment of tax,

shall be treated as an assessment to corporation tax for the accounting period referred to in paragraph (a) or (b) above, as the case may be, and the sum assessed shall carry interest at the prescribed rate for the purposes of section 87A of this Act from the date when the payment being recovered was made until payment.”

- (4) After subsection (4) of that section there shall be inserted the following subsection—

“(4A) Where an assessment is made under this section to recover—

- (a) corporation tax repaid to a company in respect of an accounting period, or
- (b) income tax repaid to a company in respect of payments received by the company in an accounting period,

and more than one repayment of that tax has been made in respect of that period, any sum recovered in respect of income tax or corporation tax repaid

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shall as far as possible be treated as relating to a repayment of that tax made later rather than to a repayment made earlier.”

- (5) In section 102 of the Finance Act 1972 (rectification of excessive set-off etc. of advance corporation tax or tax credit) after subsection (1) there shall be inserted the following subsections—

“(1A) In any case where—

- (a) interest has been paid under section 87 of the Finance (No. 2) Act 1987 on a payment of tax credit, and
- (b) interest ought not to have been paid on that payment, either at all or to any extent,

an assessment under this section may be made for recovering any interest that ought not to have been paid.

(1B) Where—

- (a) an assessment is made under this section to recover tax credit paid to a company in respect of franked investment income received by the company in an accounting period, and
- (b) more than one payment of tax credit has been made in respect of that period,

any sum recovered shall as far as possible be treated as relating to a payment of tax credit made later rather than to a payment made earlier.”

- (6) In subsection (2) of that section after the words “tax credit” there shall be inserted “or interest on such a payment”.

- (7) Subsections (1) to (4) above have effect with respect to the recovery of—

- (a) repayments of corporation tax paid for accounting periods ending after the appointed day,
- (b) repayments of income tax on payments received by a company in any such accounting period, and
- (c) interest on such repayments;

and subsections (5) and (6) above have effect with respect to the recovery of interest on payments of tax credit (within the meaning of Part V of the Finance Act 1972) claimed in respect of accounting periods ending after the appointed day.

89 Prescribed rate of interest.

- (1) In section 89 of the Management Act (prescribed rate of interest) for subsection (1) there shall be substituted the following subsection—

“(1) For the purposes of any provision of this Part of this Act and of section 87 of the Finance (No. 2) Act 1987 “the prescribed rate” means such rate as may for the time being be prescribed for the purposes of the provision in question by order made by the Treasury.”

- (2) In subsection (2) of that section—

- (a) for the words “The Treasury may, by order in a” there shall be substituted “The power to make an order under this section shall be exercisable by”; and
- (b) for the words from “from time to time” to “either” there shall be substituted “and any such order may be framed either so as to prescribe a single rate”.

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- (3) In subsection (3) of that section for the words from the beginning to “(2) above” there shall be substituted “Any rate of interest prescribed by order under this section”.

Miscellaneous

90 Corporation tax to be payable without assessment.

- (1) With respect to accounting periods ending after the appointed day, corporation tax shall be payable without the making of an assessment and, with respect to such periods—
- (a) in subsection (3) of section 243 of the Taxes Act (which provides for assessments by reference to accounting periods) for the words from “assessments” to “a company” there shall be substituted “corporation tax shall be computed and chargeable (and any assessments shall accordingly be made)”; and
 - (b) in subsection (4) of that section (which specifies the date when corporation tax assessed for an accounting period is to be paid) the word “assessed” and the words from “or if it is later” onwards shall be omitted and for the words “paid within” there shall be substituted “due and payable on the day following the expiry of”.
- (2) With respect to loans or advances made (or treated as made) in an accounting period ending after the appointed day, in subsection (1) of section 286 of the Taxes Act (loans to participators etc.) for the words “assessed on and recoverable” there shall be substituted “due”.
- (3) With respect to loans or advances made (or treated as made) as mentioned in subsection (2) above, for subsection (4) of the said section 286 there shall be substituted—
- “(4) Tax due by virtue of this section shall be due and payable within fourteen days after the end of the accounting period in which the loan or advance was made”.
- (4) Notwithstanding that, by virtue of the preceding provisions of this section, any corporation tax (or any amount due as if it were corporation tax) is due without the making of an assessment, no proceedings for collecting that tax (or other amount) shall be instituted—
- (a) unless it has been assessed; and
 - (b) until the expiry of the period of thirty days beginning on the date on which the notice of assessment is issued;
- and the reference in this subsection to proceedings for collecting tax or any other amount includes a reference to proceedings by way of distraint or poinding for that tax or other amount.
- (5) If, with respect to any accounting period,—
- (a) a company has paid an amount of corporation tax without the making of an assessment; and
 - (b) at any time before an assessment to corporation tax for the period becomes final, the company has grounds for believing that, by reason of a change in the circumstances of the case since the tax was paid, the amount paid exceeds the company’s probable liability for corporation tax,

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the company may, by notice in writing given to the inspector on or after the date which, under section 87 above, is the material date in relation to that tax, make a claim for the repayment to the company of the amount of that excess; and a notice under this subsection shall state the amount which the company considers should be repaid and the grounds referred to in paragraph (b) above.

- (6) If, apart from this subsection, a claim would fall to be made under subsection (5) above at a time when the company concerned has appealed against such an assessment as is referred to in paragraph (b) of that subsection but that appeal has not been finally determined, that subsection shall have effect as if, for the words from “make a claim” to “excess”, there were substituted “apply to the Commissioners to whom the appeal stands referred for a determination of the amount which should be repaid to the company pending a determination of the company’s liability for the accounting period in question”; and such an application shall be determined in the same way as the appeal.
- (7) Where, on an appeal against an assessment to corporation tax, a company makes an application under subsection (3) or subsection (4) of section 55 of the Management Act (postponement of tax charged but not paid etc.) that application may be combined with an application under subsections (5) and (6) above (relating to tax which was paid prior to the assessment).

91 Close companies: loans to participators.

- (1) In section 109 of the Management Act (close companies: loans to participators) subsection (2) shall be omitted.
- (2) In subsection (3) of that section for “88” there shall be substituted “87A” and for the words from “charged” onwards there shall be substituted “under the said section 286 became due and payable shall be that determined in accordance with subsection (4) of that section”.
- (3) After subsection (3) of that section there shall be inserted the following subsection—
- “(3A) If there is such a repayment of the whole or any part of a loan or advance as is referred to in subsection (5) of section 286 of the principal Act, interest under section 87A of this Act on so much of the tax under the said section 286 as is referable to the amount repaid shall not be payable in respect of any period after the date on which the repayment was made.”
- (4) This section has effect with respect to loans or advances made (or treated as made) in any accounting period ending after the appointed day.

92 Amendments relating to PAYE.

- (1) Section 204 of the Taxes Act (pay as you earn) shall be amended in accordance with this section.
- (2) In subsection (2) (regulations) after paragraph (c) there shall be inserted the following paragraph—
- “(cc) for requiring the payment of interest on sums due to the Board—
- (i) which are not paid by the due date, and
- (ii) of which the amount is determined by the inspector (before or after the due date) in accordance with the regulations,

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and for determining the date (being not less than 14 days after the end of the year of assessment in respect of which the sums are due) from which such interest is to be calculated”.

(3) After subsection (3) there shall be inserted the following subsection—

“(3A) Any reference in the preceding provisions of this section to a payment of, or on account of, any income assessable under Schedule E includes a reference to anything which, in accordance with regulations under subsection (2) above, is to be treated as a payment of, or on account of, any such income.”

93 Sub-contractors in the construction industry.

(1) Section 70 of the Finance (No. 2) Act 1975 (certificates securing exemption from the deduction scheme applicable to sub-contractors in the construction industry) shall be amended as follows.

(2) After subsection (4) there shall be inserted the following subsection—

“(4A) Where it appears to the Board that there has been a change in the control of a company holding or applying for a certificate, the Board may make any such direction as is referred to in subsection (4) above.”

(3) In subsection (5) (cancellation of certificates) at the end of paragraph (c) there shall be inserted “or

(d) in the case of a certificate issued to a company, there has been a change in the control of the company and information with respect to that change has not been furnished in accordance with regulations under subsection (7) below”.

(4) In subsection (6) (appeals against refusal of certificate)—

- (a) after the words “certificate under this section” there shall be inserted “or the cancellation of such a certificate”; and
- (b) after the word “refusal”, in the second place where it occurs, there shall be inserted “or as the case may be, cancellation”.

(5) In subsection (7) after paragraph (c) there shall be inserted the following paragraph—

“(cc) requiring the furnishing of information with respect to changes in the control of a company holding or applying for such a certificate”;

and after paragraph (f) there shall be inserted the following paragraph—

“(ff) with respect to the production, copying and removal of, and the making of extracts from, any records kept by virtue of any such requirement as is referred to in paragraph (f) above and with respect to rights of access to or copies of any such records which are removed; and”.

(6) At the end of the section there shall be added the following subsection—

“(13) In this section “control” has the same meaning as in section 534 of the Taxes Act.”

Status: This is the original version (as it was originally enacted).

94 Failure to do things within a limited time.

In section 118(2) of the Management Act (cases where persons are deemed not to have failed to do things which are required to be done within a limited time), after the word “deemed”, in the second place where it occurs, there shall be inserted “not to have failed to do it unless the excuse ceased and, after the excuse ceased, he shall be deemed”.

95 Interpretation of Chapter V and consequential and supplementary provisions.

- (1) In this Chapter “the Management Act” means the Taxes Management Act 1970.
- (2) Subject to subsection (3) below, any reference in this Chapter to the appointed day is a reference to such day as the Treasury may by order made by statutory instrument appoint, and different days may be so appointed for different provisions of this Chapter.
- (3) No day may be appointed by virtue of subsection (2) above which falls earlier than 31st March 1992.
- (4) The provisions of Schedule 6 to this Act shall have effect, being provisions consequential on and supplementary to the provisions of this Chapter.