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## SCHEDULES

### [<sup>F1</sup>SCHEDULE 11A

#### REMOVAL EXPENSES AND BENEFITS]

##### Textual Amendments

**F1** Sch. 11A inserted (27.7.1993) by Finance Act 1993 (c. 34), s. 76, Sch. 5 para. 2

##### Modifications etc. (not altering text)

**C1** Sch. 11A modified (6.4.2001 in accordance with reg. 1(1) of the affecting S.I.) by The Social Security (Contributions) Regulations 2001 (S.I. 2001/1004), Sch. 3 Pt. 8 para. 2(7)

### PART III

#### <sup>F1</sup>ELIGIBLE REMOVAL EXPENSES

##### Textual Amendments

**F1** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

#### <sup>F2</sup>Introduction

##### Textual Amendments

**F2** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

<sup>F37</sup> Expenses are eligible removal expenses if they fall into one of the following categories—

- (a) expenses of disposal,
- (b) expenses of acquisition,
- (c) expenses of abortive acquisition,
- (d) expenses of transporting belongings,
- (e) travelling and subsistence expenses,
- (f) bridging loan expenses, and
- (g) duplicate expenses;

and paragraphs 8 to 14 below apply for the purpose of interpreting the preceding provisions of this paragraph.

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**Textual Amendments**

**F3** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

*<sup>F4</sup>Expenses of disposal*

**Textual Amendments**

**F4** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

- <sup>F58</sup> (1) Expenses fall within paragraph 7(a) above if (and only if)—
- (a) the employee has an interest in his former residence,
  - (b) that interest is disposed of, or is intended to be disposed of, in consequence of the change of residence, and
  - (c) the expenses fall within sub-paragraph (2) below.
- (2) Expenses fall within this sub-paragraph if they consist of one of the following—
- (a) legal expenses connected with the disposal or intended disposal of the employee's interest in his former residence (including legal expenses connected with the redemption of any loan relating to the residence),
  - (b) any penalty for redeeming, for the purpose of the disposal or intended disposal, any loan relating to the residence,
  - (c) fees of any estate agent or auctioneer engaged in the disposal or intended disposal,
  - (d) expenses of advertising the disposal or intended disposal,
  - (e) charges for disconnecting, for the purpose of the disposal or intended disposal, public utilities serving the residence,
  - (f) expenses of maintaining, insuring, or preserving the security of the residence at any time when unoccupied pending the disposal or intended disposal, and
  - (g) any rent paid in respect of the residence at any such time.
- (3) The reference in this paragraph to the employee having an interest in his former residence includes a reference to—
- (a) one or more members of the employee's family or household having such an interest;
  - (b) the employee and one or more members of his family or household having such an interest;
- and references to the disposal or intended disposal of the employee's interest in his former residence shall be construed accordingly.
- (4) For the purposes of this paragraph a loan relates to a residence if the loan was raised to obtain an interest in the residence, or an interest in the residence forms security for the loan, or both.

**Textual Amendments**

**F5** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

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## <sup>F6</sup>Expenses of acquisition

### Textual Amendments

**F6** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

- <sup>F79</sup> (1) Expenses fall within paragraph 7(b) above if (and only if) the employee acquires an interest in his new residence and the expenses consist of one of the following—
- (a) legal expenses connected with the acquisition by the employee of the interest (including legal expenses connected with any loan raised to acquire the interest),
  - (b) any procurement fees connected with any such loan,
  - (c) the costs of any insurance effected to cover risks which are incurred by the maker of any such loan and which arise because the amount of the loan is equal to the whole, or a substantial part, of the value of the interest,
  - (d) fees relating to any survey or inspection of the residence undertaken in connection with the acquisition by the employee of the interest,
  - (e) fees payable to an appropriate registry or appropriate register in connection with the acquisition by the employee of the interest,
  - (f) stamp duty charged on the acquisition, and
  - (g) charges for connecting any public utility for use by the employee, if the utility serves the residence.
- (2) References in this paragraph to the employee acquiring an interest in his new residence include references to—
- (a) one or more members of the employee's family or household acquiring such an interest;
  - (b) the employee and one or more members of his family or household acquiring such an interest.
- (3) References in this paragraph to a loan are to a loan raised by the employee, by one or more members of the employee's family or household or by the employee and one or more members of his family or household.
- (4) The reference in this paragraph to a utility for use by the employee includes a reference to a utility for use by the employee and one or more members of his family or household.
- (5) For the purposes of this paragraph an appropriate registry is any of the following—
- (a) Her Majesty's Land Registry;
  - (b) the Land Registry in Northern Ireland;
  - (c) the Registry of Deeds for Northern Ireland;
- and an appropriate register is any register under the management and control of the Keeper of the Registers of Scotland.

### Textual Amendments

**F7** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

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### *<sup>F8</sup>Expenses of abortive acquisition*

#### **Textual Amendments**

**F8** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

- <sup>F9</sup>10 Expenses fall within paragraph 7(c) above if (and only if)—
- (a) they are incurred with a view to the acquisition of an interest in a residence, the interest is not acquired, but (if it were) the residence would be the employee's new residence,
  - (b) they would fall within paragraph 7(b) above if the interest were acquired, and
  - (c) the interest is not acquired because of circumstances outside the control of the person seeking to acquire the interest, or because that person reasonably declines to proceed.

#### **Textual Amendments**

**F9** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

### *<sup>F10</sup>Expenses of transporting belongings*

#### **Textual Amendments**

**F10** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

- <sup>F11</sup>11 (1) Expenses fall within paragraph 7(d) above if (and only if) they consist of one of the following—
- (a) expenses connected with transporting domestic belongings from the employee's former residence to his new residence, and
  - (b) the costs of any insurance effected to cover such transporting.
- (2) For the purposes of this paragraph transporting includes—
- (a) packing and unpacking belongings,
  - (b) temporarily storing them if a direct move from the former to the new residence is not made,
  - (c) detaching domestic fittings from the former residence if they are to be taken to the new residence, and
  - (d) attaching domestic fittings to the new residence, and adapting them, if they are brought from the old residence.
- (3) For the purposes of this paragraph domestic belongings are those of the employee and of members of his family or household.

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#### Textual Amendments

**F11** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

#### <sup>F12</sup>Travelling and subsistence expenses

#### Textual Amendments

**F12** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

- <sup>F13</sup>12 (1) Expenses fall within paragraph 7(e) above if (and only if) they consist of one of the following—
- (a) the costs of travelling and subsistence of the employee and members of his family or household while making temporary visits to the new area for purposes connected with the change,
  - (b) the employee's costs of travelling between his former residence and the place where he normally performs his new duties or (where paragraph 5(1)(c) above applies) between his former residence and the new place where he normally performs the duties of his employment,
  - (c) where paragraph 5(1)(b) or (c) above applies, the employee's costs of travelling, before the alteration mentioned in paragraph 5(1)(b) or (c), between his new residence and his original place of work,
  - (d) costs of the employee's subsistence (other than costs falling within paragraph (a) above),
  - (e) the employee's costs of travelling between his former residence and any temporary living accommodation of the employee,
  - (f) where paragraph 5(1)(b) or (c) above applies, the employee's costs of travelling, before the alteration mentioned in paragraph 5(1)(b) or (c), between his new residence and any temporary living accommodation of the employee,
  - (g) the costs of travelling of the employee and members of his family or household from the employee's former residence to his new residence in connection with the change,
  - (h) a relevant child's costs of subsistence while staying, for the purposes of securing the continuity of his education, in living accommodation in the old area after the change,
  - (i) a relevant child's costs of travelling between the accommodation mentioned in paragraph (h) above and the employee's new residence,
  - (j) a relevant child's costs of subsistence while staying, for the purposes of securing the continuity of his education, in living accommodation in the new area before the change, and
  - (k) a relevant child's costs of travelling between the accommodation mentioned in paragraph (j) above and the employee's former residence.
- (2) For the purposes of this paragraph—

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- (a) the employee's new duties are the duties of his employment (where paragraph 5(1)(a) above applies) or the new duties of his employment (where paragraph 5(1)(b) above applies),
  - (b) the new area is the area round or near the place where the employee's new duties are, or are to be, normally performed, or (where paragraph 5(1)(c) above applies) the area round or near the new place where the duties of the employee's employment are, or are to be, normally performed,
  - (c) the employee's original place of work is the place where, before the alteration mentioned in paragraph 5(1)(b) or (c) above, the employee normally performs the duties of his employment,
  - (d) a relevant child is a person who is a member of the employee's family or household and who is aged under 19 at the material time, and
  - (e) the old area is the area round or near the former residence of the employee.
- (3) For the purposes of this paragraph the material time is the beginning of the year of assessment in which—
- (a) the employee becomes employed by an employer,
  - (b) the alteration of the duties of the employee's employment becomes effective, or
  - (c) the alteration of the place where the employee is normally to perform the duties of his employment becomes effective.
- (4) In a case where—
- (a) expenses are incurred by the employee,
  - (b) the expenses would, apart from this sub-paragraph, fall within paragraph 7(e) above, and
  - (c) a deduction is allowable under any of sections 193 to 195 in respect of the whole or part of the expenses,
- the expenses or, as the case may be, the part of them in respect of which the deduction is allowable shall be treated as not falling within paragraph 7(e) above.

**Textual Amendments**

**F13** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

*<sup>F14</sup>Bridging loan expenses*

**Textual Amendments**

**F14** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

- <sup>F15</sup>13 (1) Expenses fall within paragraph 7(f) above if (and only if)—
- (a) the employee has an interest in his former residence,
  - (b) he disposes of that interest in consequence of the change of residence,
  - (c) he acquires an interest in his new residence, and
  - (d) the expenses consist of interest falling within sub-paragraph (2) below.

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- (2) Interest falls within this sub-paragraph if it is payable by the employee in respect of a loan raised by him and the reason, or one of the reasons, for the loan being raised is that a period elapses between—
  - (a) the date when expenditure is incurred in connection with the acquisition of the employee's interest in his new residence, and
  - (b) the date when the proceeds of the disposal of the employee's interest in his former residence are available.
- (3) Interest on so much of the loan as exceeds the market value of the employee's interest in his former residence (taken at the time his interest in his new residence is acquired) shall be regarded as not falling within sub-paragraph (2) above.
- (4) Interest on so much of the loan as is not used for any of the following purposes shall also be regarded as not falling within sub-paragraph (2) above—
  - (a) the purpose of redeeming any loan relating to the employee's former residence and raised by him;
  - (b) the purpose of acquiring the employee's interest in his new residence.
- (5) For the purposes of this paragraph a loan relates to a residence if the loan was raised to obtain an interest in the residence, or an interest in the residence forms security for the loan, or both.
- (6) References in this paragraph to the employee having, disposing of or acquiring an interest in a residence include references to—
  - (a) one or more members of the employee's family or household having, disposing of or acquiring such an interest;
  - (b) the employee and one or more members of his family or household having, disposing of or acquiring such an interest;and references to the employee's interest shall be construed accordingly.
- (7) The reference in this paragraph to interest payable by the employee includes a reference to interest payable by one or more members of the employee's family or household or by the employee and one or more members of his family or household.
- (8) References in this paragraph to a loan raised by the employee include references to a loan raised by one or more members of the employee's family or household or by the employee and one or more members of his family or household.

**Textual Amendments**

**F15** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

<sup>F16</sup>*Duplicate expenses*

**Textual Amendments**

**F16** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

<sup>F17</sup><sub>14</sub> (1) Expenses fall within paragraph 7(g) above if (and only if)—

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- (a) the employee has an interest in his former residence,
  - (b) he disposes of that interest in consequence of the change of residence,
  - (c) he acquires an interest in his new residence,
  - (d) the expenses are incurred by the employee as a result of the change, and
  - (e) the expenses are incurred on the purchase of domestic goods intended to replace goods which were used at the employee's former residence but which are not suitable for use at his new residence.
- (2) In arriving at the total of the expenses any amount mentioned in sub-paragraph (3) below shall be deducted from what would be the total apart from this sub-paragraph; and accordingly an amount equal to the aggregate of such amounts shall not be treated as eligible removal expenses.
- (3) The amount is any amount obtained in respect of the sale of the replaced goods.
- (4) References in this paragraph to the employee having, disposing of or acquiring an interest in a residence include references to—
- (a) one or more members of the employee's family or household having, disposing of or acquiring such an interest;
  - (b) the employee and one or more members of his family or household having, disposing of or acquiring such an interest.

**Textual Amendments**

**F17** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

*F18* Power to amend

**Textual Amendments**

**F18** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

- <sup>F19</sup>15 (1) The Treasury may make regulations amending the preceding provisions of this Part of this Schedule so as to secure that expenses that would not be eligible removal expenses (apart from the regulations) are such expenses.
- (2) Any such regulations may include such supplementary, incidental or consequential provisions as appear to the Treasury to be necessary or expedient; and such provisions may be made by way of amendment to other Parts of this Schedule, or otherwise.
- (3) Any such regulations shall have effect as regards any change of an employee's residence which results from—
- (a) the employee becoming employed by an employer on or after the specified day;
  - (b) an alteration, with effect from a time falling on or after the specified day, of the duties of the employee's employment;
  - (c) an alteration, with effect from a time falling on or after the specified day, of the place where the employee is normally to perform the duties of his employment;

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and in this sub-paragraph “the specified day” means the day specified in the regulations for the purposes of this sub-paragraph.

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**Textual Amendments**

**F19** Sch. 11A inserted (27.7.1993) by 1993 c. 34, s. 76, Sch. 5 para.2

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