



Finance Act 1989

1989 CHAPTER 26

PART I

CUSTOMS AND EXCISE, VALUE ADDED TAX AND CAR TAX

CHAPTER I

CUSTOMS AND EXCISE

Hydrocarbon oil duties

1 Rates.

- (1) ^{F1}
- (2) In section 13A of that Act (rebate on unleaded petrol), for “£0.0202” there shall be substituted “£0.0272”.
- (3) ^{F1}
- (4) This section shall be deemed to have come into force at 6 o’clock in the evening of 14th March 1989.

Textual Amendments

^{F1} S. 1(1)(3) repealed by [Finance Act 1990 \(c. 29, SIF 40:1\)](#), s. 132, Sch. 19 Pt. I Note

2 Reliefs.

- (1) The following section shall be inserted after section 20A of the ^{M1}Hydrocarbon Oil Duties Act 1979—

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“20AA Power to allow reliefs.

- (1) The Commissioners may make regulations allowing reliefs as regards—
 - (a) any duty of excise which has been charged in respect of hydrocarbon oil, petrol substitute, spirits used for making power methylated spirits, or road fuel gas;
 - (b) any amount which has been paid to the Commissioners under section 12(2) above;
 - (c) any amount which would (apart from the regulations) be payable to the Commissioners under section 12(2) above.
- (2) The regulations may include such provision as the Commissioners think fit in connection with allowing reliefs, and in particular may—
 - (a) provide for relief to take the form of a repayment or remission;
 - (b) provide for relief to be allowed in cases or classes of case set out in the regulations;
 - (c) provide for relief to be allowed to the extent set out in the regulations;
 - (d) provide for relief to be allowed subject to conditions imposed by the regulations;
 - (e) provide for relief to be allowed subject to such conditions as the Commissioners may impose on the person claiming relief;
 - (f) provide for the taking of samples of hydrocarbon oil in order to ascertain whether relief should be allowed or has been properly allowed;
 - (g) make provision as to administration (which may include provision requiring the making of applications for relief);
 - (h) make different provision in relation to different cases or classes of case;
 - (i) include such supplementary, incidental, consequential or transitional provisions as appear to the Commissioners to be necessary or expedient.
- (3) The conditions which may be imposed as mentioned in subsection (2)(d) or (e) above may include conditions as to the physical security of premises, the provision (by bond or otherwise) of security for payment, or such other matters as the Commissioners think fit.
- (4) Where a person contravenes or fails to comply with any regulation made under this section or any condition imposed by or under such a regulation—
 - (a) he shall be liable on summary conviction to a penalty of three times the value of any goods in respect of which the contravention or failure occurred or a penalty of an amount represented by level 3 on the standard scale, whichever is the greater, and
 - (b) any goods in respect of which the contravention or failure occurred shall be liable to forfeiture.
- (5) A reference in this section to a duty of excise includes a reference to any addition to such duty by virtue of section 1 of the Excise Duties (Surcharges or Rebates) Act 1979.
- (6) Schedule 5 to this Act shall have effect with respect to any sample of hydrocarbon oil taken in pursuance of regulations made under this section.”

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- (2) In consequence of subsection (1) above, in paragraph 6 of Schedule 5 to the ^{M2}Hydrocarbon Oil Duties Act 1979 after “section” there shall be inserted “20AA or”.

Marginal Citations

- M1** 1979c. 5.
M2 1979 c. 5.

Alcoholic liquor duties

^{F23} **Original gravity of beer.**

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Textual Amendments

- F2** S. 3 repealed (1.6.1993) by Finance Act 1991 (c. 31, SIF 40:1), ss. 7, 123, Sch. 19 Pt. II; S.I. 1993/1152, art. 3, Sch. 1 (with arts. 4-8)

4 Blending made-wines etc.

- (1) Section 55 of the Alcoholic Liquor Duties Act 1979 (charge of excise duty on made-wine) shall be amended as follows.
- (2) In subsection (5) (which, where certain conditions are satisfied, lifts the requirement to hold a licence for premises where made-wine is produced), after paragraph (d) there shall be added “and
- (e) he does not blend or otherwise mix—
- (i) two or more made-wines, or
- (ii) one or more made-wines and one or more wines,
- so as to produce made-wine the rate of duty applicable to which is higher than the rate applicable to at least one of the constituent liquors. ”
- (3) After subsection (5) there shall be inserted—
- “(5A) For the purposes of subsection (5) above—
- (a) the rate of duty applicable to any made-wine is that which is or would be chargeable under subsection (1) above on its importation into the United Kingdom; and
- (b) the rate of duty applicable to any wine is that which is or would be chargeable under subsection (1) of section 54 above on its importation into the United Kingdom.”
- (4) This section shall have effect in relation to the blending or other mixing of made-wines, or of made-wines and wines, on or after the day on which this Act is passed.

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5 Description as beer.

Section 73 of the ^{M3}Alcoholic Liquor Duties Act 1979(which prohibits anyone from describing as beer any substance on which beer duty has not been paid) shall cease to have effect.

Marginal Citations

M3 1979 c. 4.

Vehicles excise duty

6 Rates.

- ^{F3}(1)
- ^{F3}(2)
- (3) ^{F4}
- ^{F3}(5)
- ^{F5}(6)
- ^{F3}(7)

Textual Amendments

- F3** S. 6(1)(2)(5)(7) repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))
- F4** S. 6(3)(4), **Sch. 1 Pt. II**, **Sch. 2 para. 3** repealed by Finance Act 1990 (c. 29, SIF 58), s. 132, **Sch. 19 Pt. II** Note 3
- F5** S. 6(6) repealed (27.7.1993 with effect in relation to licences taken out after 16.3.1993) by 1993 c. 34, s. 213, **Sch. 23 Pt. I(6)**

^{F6}7

Textual Amendments

- F6** S. 7 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

^{F7}8

Textual Amendments

- F7** S. 8 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

^{F8}9

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Textual Amendments

F8 S. 9 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

F⁹10

Textual Amendments

F9 S. 10 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

F¹⁰11

Textual Amendments

F10 S. 11 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

F¹¹12

Textual Amendments

F11 S. 12 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

F¹²13

Textual Amendments

F12 S. 13 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

14 Dishonoured cheques.

F¹³(1)

F¹⁴(2)

F¹³(3)

F¹⁴(4)

F¹³(5)

F¹⁴(6)

F¹³(7)

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Textual Amendments

- F13** S. 14(1)(3)(5)(7) repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))
F14 S. 14(2)(4)(6) repealed (1.10.1991) by Finance Act 1991 (c. 31, SIF 107:2), ss. 10, 123, **Sch. 19 Pt. IV**; S.I. 1991/2021, **art. 2**.

General

F15 15

Textual Amendments

- F15** S. 15 repealed (1.1.1995) by 1994 c. 9, s. 258, **Sch. 26 Pt. III**, note (with s. 19(3)); S.I. 1994/2679, **art. 3**

16 Time limits for proceedings.

- (1) After section 146 of the Customs and Excise Management Act 1979 there shall be inserted—

“146A Time limit for proceedings.

- (1) Except as otherwise provided in the customs and excise Acts, and notwithstanding anything in any other enactment, the following provisions shall apply in relation to proceedings for an offence under those Acts.
- (2) Proceedings for an indictable offence shall not be commenced after the end of the period of 20 years beginning with the day on which the offence was committed.
- (3) Proceedings for a summary offence shall not be commenced after the end of the period of 3 years beginning with that day but, subject to that, may be commenced at any time within 6 months from the date on which sufficient evidence to warrant the proceedings came to the knowledge of the prosecuting authority.
- (4) For the purposes of subsection (3) above, a certificate of the prosecuting authority as to the date on which such evidence as is there mentioned came to that authority’s knowledge shall be conclusive evidence of that fact.
- (5) In the application of this section to Scotland—
 - (a) in subsection (3), “proceedings for an indictable offence” means proceedings on indictment;
 - (b) in subsection (3), “proceedings for a summary offence” means summary proceedings.
- (6) In the application of this section to Northern Ireland—
 - (a) “indictable offence” means an offence which, if committed by an adult, is punishable on conviction on indictment (whether only on

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conviction on indictment, or either on conviction on indictment or on summary conviction);

- (b) “summary offence” means an offence which, if committed by an adult, is punishable only on summary conviction.

(7) In this section, “prosecuting authority” means the Commissioners and includes, in Scotland, the procurator fiscal.”

(2) Section 147(1) of that Act shall cease to have effect.

^{F16}(3)

(4) This section shall have effect in relation to offences committed on or after the day on which this Act is passed.

Textual Amendments

F16 S. 16(3) repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), Sch. 5 Pt. I (with s. 57(4))

17 Disbursements in Port of London.

In section 17 of the ^{M4}Customs and Excise Management Act 1979 (general rule that customs and excise receipts, after deduction of disbursements, are to be paid into the Commissioners’ General Account at the Bank of England) paragraph (a) of subsection (5) (special rule that disbursements in Port of London are to be paid out of that Account) shall cease to have effect.

Marginal Citations

M4 1979 c. 2.

CHAPTER II

VALUE ADDED TAX

Zero-rating etc.

^{F17}**18**

Textual Amendments

F17 S. 18 repealed (1.9.1994 with effect as mentioned in s. 101(1) of the amending Act) by 1994 c. 23, s. 100(2), Sch. 15

^{F18}**19**

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Textual Amendments

F18 S. 19 repealed (1.9.1994 with effect as mentioned in s. 101(1) of the amending Act) by 1994 c. 23, s. 100(2), Sch. 15

F19 20

Textual Amendments

F19 S. 20 repealed (1.9.1994 with effect as mentioned in s. 101(1) of the amending Act) by 1994 c. 23, s. 100(2), Sch. 15

F20 21

Textual Amendments

F20 S. 21 repealed (1.9.1994 with effect as mentioned in s. 101(1) of the amending Act) by 1994 c. 23, s. 100(2), Sch. 15

F21 22

Textual Amendments

F21 S. 22 repealed (1.9.1994 with effect as mentioned in s. 101(1) of the amending Act) by 1994 c. 23, s. 100(2), Sch. 15

F22 23

Textual Amendments

F22 S. 23 repealed (1.9.1994 with effect as mentioned in s. 101(1) of the amending Act) by 1994 c. 23, s. 100(2), Sch. 15

Other provisions

F23 24

Textual Amendments

F23 S. 24 repealed (1.9.1994 with effect as mentioned in s. 101(1) of the amending Act) by 1994 c. 23, s. 100(2), Sch. 15

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^{F24}**25**

Textual Amendments

F24 [S. 25](#) repealed (1.9.1994 with effect as mentioned in [s. 101\(1\)](#) of the amending Act) by [1994 c. 23, s. 100\(2\)](#), [Sch. 15](#)

^{F25}**26**

Textual Amendments

F25 [S. 26](#) repealed (1.9.1994 with effect as mentioned in [s. 101\(1\)](#) of the amending Act) by [1994 c. 23, s. 100\(2\)](#), [Sch. 15](#)

CHAPTER III

MISCELLANEOUS

^{F26}**27** **Relief from car tax where vehicle leased to the handicapped.**

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Textual Amendments

F26 [S. 27](#) repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 9](#) Group 5

28 **Reliefs from duties and taxes for persons enjoying certain immunities and privileges.**

(1) After section 13 of the ^{M5} Customs and Excise Duties (General Reliefs) Act 1979 there shall be inserted the following sections—

“13A Reliefs from duties and taxes for persons enjoying certain immunities and privileges.

- (1) The Commissioners may by order make provision for conferring in respect of any persons to whom this section applies reliefs, by way of remission or repayment, from payment by them or others of duties of customs or excise, value added tax or car tax.
- (2) An order under this section may make any relief for which it provides subject to such conditions binding the person in respect of whom the relief is conferred and, if different, the person liable apart from the relief for payment of the tax or duty (including conditions which are to be complied with after the time when, apart from the relief, the duty or tax would become payable) as may be imposed by or under the order.

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- (3) An order under this section may include any of the provisions mentioned in subsection (4) below for cases where—
 - (a) relief from payment of any duty of customs or excise, value added tax or car tax chargeable on any goods, or on the supply of any goods or services or the importation of any goods has been conferred (whether by virtue of an order under this section or otherwise) in respect of any person to whom this section applies, and
 - (b) in the case of goods, provision for forfeiture of the goods.
- (4) The provisions referred to in subsection (3) above are—
 - (a) provision for payment to the Commissioners of the tax or duty by—
 - (i) the person liable, apart from the relief, for its payment, or
 - (ii) any person bound by the condition, or
 - (iii) any person who is or has been in possession of the goods or has received the benefit of the services,
 or for two or more of those persons to be jointly and severally liable for such payment, and
- (5) An order under this section—
 - (a) may contain such incidental and supplementary provisions as the Commissioners think necessary or expedient, and
 - (b) may make different provision for different cases.
- (6) In this section and section 13C of this Act—

“duty of customs” includes any agricultural levy within the meaning of section 6 of the European Communities Act 1972 chargeable on goods imported into the United Kingdom, and

“duty of excise” means any duty of excise chargeable on goods and includes any addition to excise duty by virtue of section 1 of the Excise Duties (Surcharges or Rebates) Act 1979.
- (7) For the purposes of this section and section 13C of this Act, where in respect of any person to whom this section applies relief is conferred (whether by virtue of an order under this section or otherwise) in relation to the use of goods by any persons or for any purposes, the relief is to be treated as conferred subject to a condition binding on him that the goods will be used only by those persons or for those purposes.
- (8) Nothing in any order under this section shall be construed as authorising a person to import any thing in contravention of any prohibition or restriction for the time being in force with respect to it under or by virtue of any enactment.

13B Persons to whom section 13A applies.

- (1) The persons to whom section 13A of this act applies are—
 - (a) any person who, for the purposes of any provision of the Visiting Forces Act 1952 or the International Headquarters and Defence Organisations Act 1964 is—
 - (i) a member of a visiting force or of a civilian component of such a force or a dependant of such a member, or

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- (ii) a headquarters, a member of a headquarters or a dependant of such a member,
 - (b) any person enjoying any privileges or immunities under or by virtue of—
 - (i) the Diplomatic Privileges Act 1964,
 - (ii) the Commonwealth Secretariat Act 1966,
 - (iii) the Consular Relations Act 1968,
 - (iv) the International Organisations Act 1968, or
 - (v) the Overseas Development and Co-operation Act 1980,
 - (c) any person enjoying, under or by virtue of section 2 of the European Communities Act 1972, any privileges or immunities similar to those enjoyed under or by virtue of the enactments referred to in paragraph (b) above.
- (2) The Secretary of State may by order amend subsection (1) above to include any persons enjoying any privileges or immunities similar to those enjoyed under or by virtue of the enactments referred to in paragraph (b) of that subsection.
- (3) No order shall be made under this section unless a draft of the order has been laid before and approved by resolution of each House of Parliament.

13C Offence where relieved goods used, etc., in breach of condition.

- (1) Subsection (2) below applies where—
 - (a) any relief from payment of any duty of customs or excise, value added tax or car tax chargeable on, or on the supply or importation of, any goods has been conferred (whether by virtue of an order under section 13A of this Act or otherwise) in respect of any person to whom that section applies subject to any condition as to the persons by whom or the purposes for which the goods may be used, and
 - (b) if the tax or duty has subsequently become payable, it has not been paid.
- (2) If any person—
 - (a) acquires the goods for his own use, where he is not permitted by the condition to use them, or for use for a purpose that is not permitted by the condition or uses them for such a purpose, or
 - (b) acquires the goods for use, or causes or permits them to be used, by a person not permitted by the condition to use them or by a person for a purpose that is not permitted by the condition or disposes of them to a person not permitted by the condition to use them,with intent to evade payment of any tax or duty that has become payable or that, by reason of the disposal, acquisition or use, becomes or will become payable, he is guilty of an offence.
- (3) For the purposes of this section—
 - (a) in the case of a condition as to the persons by whom goods may be used, a person is not permitted by the condition to use them unless he is a person referred to in the condition as permitted to use them, and

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- (b) in relation to a condition as to the purposes for which goods may be used, a purpose is not permitted by the condition unless it is a purpose referred to in the condition as a permitted purpose,

and in this section “dispose” includes “lend” and “let on hire”, and “acquire” shall be interpreted accordingly.
- (4) A person guilty of an offence under this section may be detained and shall be liable—
 - (a) on summary conviction, to a penalty of the statutory maximum or of three times the value of the goods (whichever is the greater), or to imprisonment for a term not exceeding six months, or to both, or
 - (b) on conviction on indictment, to a penalty of any amount, or to imprisonment for a term not exceeding seven years, or to both.”
- (2) Section 13C of the ^{M6} Customs and Excise Duties (General Reliefs) Act 1979 inserted by subsection (1) above shall have effect where relief is conferred on or after the day on which this Act is passed.
- (3) In section 17 of the Customs and Excise Duties (General Reliefs) Act 1979, in subsection (3), for “or 13” there shall be substituted “13 or 13A” and, in subsection (4), for “or 13(1)” there shall be substituted “13(1) or 13A”.

Marginal Citations

- M5** 1979 c. 3.
M6 1979 c. 3.

[^{F27} 29 Recovery of overpaid excise duty and car tax.

- (1) This section applies to proceedings for restitution of an amount paid to the Commissioners of Customs and Excise by way of excise duty or car tax.
- (2) Proceedings to which this section applies shall not be dismissed by reason only of the fact that the amount was paid by reason of a mistake of law.
- (3) In any proceedings to which this section applies it shall be a defence that repayment of an amount would unjustly enrich the claimant.
- (4) This section shall have effect in relation to proceedings commenced on or after the day on which this Act is passed.]

Textual Amendments

- F27** S. 29 ceases to have effect (1.12.1995 with effect as mentioned in s. 20(5) of the amending Act) by 1995 c. 4, s. 20(3); S.I. 1995/2892, art. 2

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PART II

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Income tax rates and allowances

^{F28}**30 Charge and rates of income tax for 1989-90.**

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Textual Amendments

F28 Ss. 30-32 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F28}**31 Age allowance.**

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Textual Amendments

F28 Ss. 30-32 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F28}**32 Operative date for PAYE.**

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Textual Amendments

F28 Ss. 30-32 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

33 Married couples.

- (1) Sections 257 to 257F and 265 of the ^{M7}Taxes Act 1988, as inserted for the year 1990-91 and subsequent years by the Finance Act 1988, shall be amended as follows.
- (2) In section 257(1) for “£2,605” there shall be substituted “£2,785”.
- (3) In section 257(2) for “£3,180” there shall be substituted “£3,400”.
- (4) In section 257(3)—
 - ^{F29}(a)
 - (b) for “£3,310” there shall be substituted “£3,540”.
- (5) In section 257(5)—
 - (a) for “£10,600” there shall be substituted “£11,400”, and

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- ^{F30}(b)
- [^{F31}(6) In section 257A(1) for “£1,490” there shall be substituted “£1,590”.]
- (7) In section 257A(2) for “£1,855” there shall be substituted “£1,985”.
- (8) In section 257A(3)—
- ^{F32}(a)
- (b) for “£1,895” there shall be substituted “£2,025”.
- (9) In section 257A(5)—
- (a) for “£10,600” there shall be substituted “£11,400”, and
- ^{F33}(b)
- (10) In sections ^{F34}... [^{F35}257D(8) and] 265(3) after paragraph (b) there shall be inserted “or
- (c) on account of any payments to which section 593(2) or 639(3) applies,”.
- [^{F36}(11) In section 257E(1)(b) for “80” there shall be substituted “75”.
- ^{F36}(12) In section 257E(2)(a) for “£3,180” there shall be substituted “£3,400”.
- ^{F36}(13) In section 257E(2)(b) for “£3,310” there shall be substituted “£3,540”.]

Textual Amendments

- F29** S. 33(4)(a) omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 6(c)**
- F30** S. 33(5)(b) omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 6(c)**
- F31** S. 33(6) repealed (27.7.1999 with effect for the year 2000-2001 and subsequent years of assessment) by 1999 c. 16, s. 139, **Sch. 20 Pt. III(3)**, note 2
- F32** S. 33(8)(a) omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 6(c)**
- F33** S. 33(9)(b) omitted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 6(c)**
- F34** Words in s. 33(10) repealed (16.7.1992) by virtue of Finance (No. 2) Act 1992 (c. 48), ss. 20, 82, **Sch. 5 para. 10, Sch. 18 Pt. VII(1)**
- F35** Words in s. 33(10) repealed (27.7.1999 with effect for the year 2000-2001 and subsequent years of assessment) by virtue of 1999 c. 16, s. 139, **Sch. 20 Pt. III(3)**, note 2
- F36** S. 33(11)-(13) repealed (27.7.1999 with effect for the year 2000-2001 and subsequent years of assessment) by 1999 c. 16, s. 139, **Sch. 20 Pt. III(3)**, note 2

Modifications etc. (not altering text)

- C1** See Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), s. 257 for 1989–1990 and see Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), 257–257F for 1990–1991

Marginal Citations

- M7** 1988 c. 39.

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Corporation tax rates etc.

34 Charge and rate of corporation tax for financial year 1989.

Corporation tax shall be charged for the financial year 1989 at the rate of 35 per cent.

Modifications etc. (not altering text)

C2 For earlier years see Table K, Vol. 1

^{F37}35 Corporation tax: small companies.

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Textual Amendments

F37 S. 35 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Receipts basis etc.

^{F38}36 Schedule E: revised Cases.

.....

Textual Amendments

F38 Ss. 36-42 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

^{F38}37 Schedule E: assessment on receipts basis.

.....

Textual Amendments

F38 Ss. 36-42 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

^{F38}38 Schedule E: unpaid emoluments.

.....

Textual Amendments

F38 Ss. 36-42 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

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F38 39 Schedule E: unremitted emoluments.

.....

Textual Amendments

F38 Ss. 36-42 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F38 40 Schedule E: emoluments already paid.

.....

Textual Amendments

F38 Ss. 36-42 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F38 41 Schedule E: pensions etc.

.....

Textual Amendments

F38 Ss. 36-42 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

Modifications etc. (not altering text)

C3 S. 41 extended (3.5.1994) by [1994 c. 9, s. 139\(3\)](#)

F38 42 Schedule E: supplementary.

.....

Textual Amendments

F38 Ss. 36-42 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F39 43 Schedule D: computation

.....

Textual Amendments

F39 S. 43 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 339](#), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

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^{F40} **44 Companies with investment business and insurance companies: computation**

.....

Textual Amendments

F40 S. 44 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 340](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

^{F41} **45 PAYE: meaning of payment.**

.....

Textual Amendments

F41 S. 45 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

Interest

46 Relief for interest.

For the year 1989-90 the qualifying maximum defined in section 367(5) of the Taxes Act 1988 (limit on relief for interest on certain loans) shall be £30,000.

^{F42} **47 Close company loans: business expansion scheme.**

.....

Textual Amendments

F42 S. 47 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F43} **48 Close company loans: material interest.**

.....

Textual Amendments

F43 S. 48 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Benefits in kind

49 Car benefits.

(1) In Schedule 6 to the Taxes Act 1988 (taxation of directors and others in respect of cars) for Part I (tables of flat rate cash equivalents) there shall be substituted—

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“PART I

TABLES OF FLAT RATE CASH EQUIVALENTS

table A

CARS WITH AN ORIGINAL MARKET VALUE UP TO £19,250 AND HAVING A CYLINDER CAPACITY

Cylinder capacity of car in cubic centimetres	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
1400 or less	£1,400	£950
More than 1400 but not more than 2000	£1,850	£1,250
More than 2000	£2,950	£1,950

table B

CARS WITH AN ORIGINAL MARKET VALUE UP TO £19,250 AND NOT HAVING A CYLINDER CAPACITY

Original market value of car	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
Less than £6,000	£1,400	£950
£6,000 or more but less than £8,500	£1,850	£1,250
£8,500 or more but not more than £19,250	£2,950	£1,950

table B

CARS WITH AN ORIGINAL MARKET VALUE OF MORE THAN £19,250

Original market value of car	Age of car at end of relevant year of assessment	
	Under 4 years	4 years or more
More than £19,250 but not more than £29,000	£3,850	£2,600
More than £29,000	£6,150	£4,100”

(2) This section shall have effect for the year 1989-90 and subsequent years of assessment.

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F44 50 Security assets and services.

.....

Textual Amendments

- F44** Ss. 50-52 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F44 51 Assets used partly for security.

.....

Textual Amendments

- F44** Ss. 50-52 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F44 52 Security: supplementary.

.....

Textual Amendments

- F44** Ss. 50-52 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

53 Employees earning £8,500 or more and directors.

F45(1)

F45(2)

F45(a)

F45(b)

F45(c)

F45(d)

F45(e)

(f) the words “ employment to which Chapter II of Part V applies ”shall be substituted for the words from “director’s” to “section167)” in [^{F46}section 418(3)(a)] of that Act;

F45(g)

Textual Amendments

- F45** S. 53 repealed (except s. 53(2)(f) so far as relating to s. 418(3) of ICTA) (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

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F46 Words in s. 53(2)(f) substituted (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 159](#) (with [Sch. 7](#))

Medical insurance

[^{F47}54 Relief.

(1) This section applies where—

- (a) on or after 6th April 1990 an individual makes a payment in respect of a premium under a contract of private medical insurance (whenever issued),
- (b) the contract meets the requirement in subsection (2) below as to the person or persons insured,
- (c) at the time the payment is made the contract is an eligible contract,
- (d) the individual making the payment does not make it out of resources provided by another person for the purpose of enabling it to be made, and
- (e) the individual making the payment is not entitled to claim any relief or deduction in respect of it under any other provision of the Tax Acts.

(2) The requirement mentioned in subsection (1)(b) above is that the contract insures—

- (a) an individual who at the time the payment is made is aged 60 or over and resident in the United Kingdom,
- (b) individuals each of whom at that time is aged 60 or over and resident in the United Kingdom, or
- (c) two individuals who are married to each other at that time, at least one of whom is aged 60 or over at that time, and each of whom is resident in the United Kingdom at that time.

[In a case where—

- ^{F48}(2A) (a) a payment is made in respect of a premium under a contract at a time when the contract meets the requirement in subsection (2) above by virtue of paragraph (c) of that subsection, and
- (b) a payment is made under the same contract at a time after one of the individuals has died and when the contract does not (apart from this subsection) meet the requirement in subsection (2) above by virtue only of the fact that the surviving spouse is not aged 60 or over at the time,

for the purposes of subsection (2) above in its application to the contract the surviving spouse shall be deemed to be aged 60 or over at the time mentioned in paragraph (b) above.]

(3) If the payment is made by an individual who at the time it is made is resident in the United Kingdom (whether or not he is the individual or one of the individuals insured by the contract) [^{F49}the individual shall be entitled to relief under this subsection in respect of the payment; and (except where subsections (4) to (6) below apply) relief under this subsection shall be given—

- (a) in accordance with subsections (3A) to (3C) below, and
- (b) only on a claim made for the purpose.]

[Where an individual is entitled to relief under subsection (3) above in respect of one ^{F50}(3A) or more payments made in a given year of assessment, the amount of his liability for

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that year of assessment to income tax on his total income shall be the amount to which he would be liable apart from this section less whichever is the smaller of—

- (a) the amount found under subsection (3B) below, and
- (b) the amount which reduces his liability to nil.

(3B) The amount referred to in subsection (3A)(a) above is an amount found by—

- (a) taking the amount of the payment referred to in subsection (3A) above or (as the case may be) the aggregate amount of the payments there referred to, and
- (b) finding an amount equal to tax on the amount taken under paragraph (a) above at the basic rate for the year of assessment concerned.

(3C) In determining for the purposes of subsection (3A) above the amount of income on which he would be liable apart from this section, no account shall be taken of—

- (a) any income tax reduction under Chapter I of Part VII of the Taxes Act 1988 or under section 347B of that Act;
- (b) any income tax reduction under section 353(1A) of the Taxes Act 1988;
- (c) any relief by way of a reduction of liability to tax which is given in accordance with any arrangements having effect by virtue of section 788 of the Taxes Act 1988 or by way of a credit under section 790(1) of that Act;
- (d) any tax at the basic rate on so much of that person's income as is income on which he is entitled to charge against any other person or to deduct, retain or satisfy out of any payment.]

(4) In such cases and subject to such conditions as the Board may specify in regulations, relief under subsection (3) above shall be given in accordance with subsections (5) and (6) below.

(5) An individual who is entitled to such relief in respect of a payment may deduct and retain out of it an amount equal to income tax on it at the basic rate for the year of assessment in which it is made.

(6) The person to whom the payment is made—

- (a) shall accept the amount paid after deduction in discharge of the individual's liability to the same extent as if the deduction had not been made, and
- (b) may, on making a claim [^{F51}in accordance with regulations], recover from the Board an amount equal to the amount deducted.

(7) The Treasury may make regulations providing that in circumstances prescribed in the regulations—

- (a) an individual who has made a payment in respect of a premium under a contract of private medical insurance shall cease to be and be treated as not having been entitled to relief under subsection (3) above; and
- (b) he or the person to whom the payment was made (depending on the terms of the regulations) shall account to the Board for tax from which relief has been given on the basis that the individual was so entitled.

(8) Regulations under subsection (7) above may include provision adapting or modifying the effect of any enactment relating to income tax in order to secure the performance of any obligation imposed under paragraph (b) of that subsection.

(9) In this section—

- (a) references to a premium, in relation to a contract of insurance, are to any amount payable under the contract to the insurer, and

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- (b) references to an individual who is resident in the United Kingdom at anytime include references to an individual who is at that time performing duties which are treated by virtue of section 132(4)(a) of the Taxes Act 1988 as performed in the United Kingdom.]

Textual Amendments

- F47** Ss. 54-57 repealed (31.1.1997 with effect as mentioned in Sch. 8 Pt. II(2), note of the amending Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(2)** (with s. 3(3))
- F48** S. 54(2A) inserted (3.5.1994 with effect as mentioned in **Sch. 10 para. 4(2)** of the amending Act) by 1994 c. 9, s. 83, **Sch. 10 para. 4(1)**
- F49** Words and paras. (a)(b) substituted for words in s. 54(3) (3.5.1994 with effect in relation to payments on or after 6.4.1994) by 1994 c. 9, s. 83, **Sch. 10 para. 2(2)(4)**
- F50** S. 54(3A)-(3C) inserted (3.5.1994 with effect in relation to payments on or after 6.4.1994) by 1994 c. 9, s. 83, **Sch. 10 para. 2(3)(4)**
- F51** Words in s. 54(6)(b) inserted (29.4.1996) by 1996 c. 8, s. 129(2)

Modifications etc. (not altering text)

- C4** S. 54 restricted (31.7.1997 with effect for the year 1997-1998 and subsequent years of assessment) by 1997 c. 58, s. 17(1)-(5) (with s. 3(3))
- C5** For regulations see S.I. 1989/2387 and S.I. 1989/2389 (in Part III Vol. 5 under “Private medical insurance”)

[^{F52}55 Eligible contracts.

- (1) This section has effect to determine whether a contract is at a particular time (the relevant time) an eligible contract for the purposes of section 54 above.

- (2) A contract is an eligible contract at the relevant time if—

- (a) it was entered into by an insurer who at the time it was entered into was a qualifying insurer and was approved by the Board for the purposes of this section,

- (b) the period of insurance under the contract does not exceed one year (commencing with the date it was entered into),

- [^{F53}(ba) at the relevant time the contract satisfies the conditions set out in subsection (2A) below,

- (bb) the contract is not one in the case of which subsection (2D) below applies,]

- (c) the contract is not connected with any other contract at the relevant time and has not been connected with any other contract at any time since it was entered into, [^{F54}and]

- (d) no benefit has been provided by virtue of the contract other than an approved benefit, [^{F55}and

- (e) the contract meets one or more of the three conditions set out below.]

[The conditions referred to in subsection (2)(ba) above are that—

- ^{F56}(2A) (a) the contract either provides indemnity in respect of all or any of the costs of all or any of the treatments, medical services and other matters for the time being specified in regulations made by the Treasury, or in addition to providing indemnity of that description provides cash benefits falling within rules for the time being so specified,

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- (b) the contract does not confer any right other than such a right as is mentioned in paragraph (a) above or is for the time being specified in regulations made by the Treasury,
- (c) the premium under the contract is reasonable, and
- (d) the contract satisfies such other requirements as are for the time being specified in regulations made by the Treasury.

(2B) In a case where—

- (a) at the relevant time the contract confers a material right, or more than one such right, but
- (b) the total cost to the insurer of providing benefits in pursuance of the material right or (as the case may be) in pursuance of all the material rights would not exceed the prescribed sum,

the contract shall not thereby be regarded as failing to satisfy at the relevant time the condition set out in subsection (2A)(b) above.

(2C) For the purposes of subsection (2B) above a material right is a right which—

- (a) is not a right such as is mentioned in subsection (2A)(a) above or such as is for the time being specified in regulations made under subsection (2A)(b) above, and
- (b) is not a right to a cash benefit.

(2D) This subsection applies in the case of a contract (the main contract) if—

- (a) at least one other contract is entered into which is a contract (a collateral contract) under which a benefit is provided in consideration of the insured's entering into the main contract, and
- (b) the cost to the insurer of fulfilling his obligations under the collateral contract (or, if there is more than one collateral contract, of fulfilling his obligations under all of them) exceeds the prescribed sum.]

[The first condition is that the contract is certified by the Board under section 56 below
^{F57}(3) at the relevant time.

^{F57}(4) The second condition is that, at the time the contract was entered into, it conformed with a standard form certified by the Board as a standard form of eligible contract.

^{F57}(5) The third condition is that, at the time the contract was entered into, it conformed with a form varying from a standard form so certified in no other respect than by making additions—

- (a) which were (at the time the contract was entered into) certified by the Board as compatible with an eligible contract when made to that standard form, and
- (b) which (at that time) satisfied any conditions subject to which the additions were so certified.

^{F57}(6) Where a contract is varied, and the relevant time falls after the time the variation takes effect, subsections (1) to (5) above shall have effect as if “entered into” read “varied” in each place where it occurs in subsections (4) and (5) above.]

(7) For the purposes of this section a contract is connected with another contract at any time if—

- (a) they are simultaneously in force at that time,

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- (b) either of them was entered into with reference to the other, or with a view to enabling the other to be entered into on particular terms, or with a view to facilitating the other being entered into on particular terms, and
 - (c) the terms on which either of them was entered into would have been significantly less favourable to the insured if the other had not been entered into.
- (8) For the purposes of this section each of the following is a qualifying insurer—
- (a) an insurer lawfully carrying on in the United Kingdom business of any of the classes specified in Part I of Schedule 2 to the ^{M8}Insurance Companies Act 1982;
 - (b) an insurer not carrying on business in the United Kingdom but carrying on business in another member State and being either a national of a member State or a company or partnership formed under the law of any part of the United Kingdom or another member State and having its registered office, central administration or principal place of business in a member State.
- (9) For the purposes of this section a benefit is an approved benefit if it is provided in pursuance of a right of a description
- ^{F58}[mentioned in subsection (2A)(a) above, or
 - (a) for the time being specified in regulations made under subsection (2A)(b) above.]
- ^{F59}[For the purposes of this section a benefit is also an approved benefit if it is not a cash
- (10) benefit and—
- (a) it is a single benefit provided otherwise than as mentioned in subsection (9) above and the cost to the insurer of providing it does not exceed the prescribed sum, or
 - (b) it is one of a number of benefits provided otherwise than as mentioned in subsection (9) above and the total cost to the insurer of providing the benefits does not exceed the prescribed sum.
- (11) In this section the reference to a premium, in relation to a contract of insurance, is to any amount payable under the contract to the insurer.
- (12) For the purposes of this section the prescribed sum is £30.
- (13) The Treasury may by order substitute for the sum for the time being specified in subsection (12) above such sum as may be specified in the order; and any such substitution shall have effect in relation to cases where the relevant time falls on or after such date as is specified in the order.]]

Textual Amendments

- F52** Ss. 54-57 repealed (31.1.1997 with effect as mentioned in Sch. 8 Pt. II(2), note of the amending Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(2)** (with s. 3(3))
- F53** S. 55(2)(ba)(bb) inserted (3.5.1994 with effect as mentioned in **Sch. 10 para. 5(8)** of the amending Act) by 1994 c. 9, s. 83, **Sch. 10 para. 5(2)**
- F54** Word in s. 55(2)(c) inserted (3.5.1994 with effect as mentioned in **Sch. 10 para. 5(8)** of the amending Act) by 1994 c. 9, s. 83, **Sch. 10 para. 5(3)(a)**

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- F55** S. 55(2)(e) and the word “and” immediately preceding it repealed (3.5.1994 with effect as mentioned in Sch. 10 para. 5(8) of the amending Act) by 1994 c. 9, ss. 83, 258, Sch. 10 para. 5(3)(b), **Sch. 26 Pt. V(3)**, Note 2
- F56** S. 55(2A)-(2D) inserted (3.5.1994 with effect as mentioned in Sch. 10 para. 5(8) of the amending Act) by 1994 c. 9, s. 83, **Sch. 10 para. 5(4)**
- F57** S. 55(3)-(6) repealed (3.5.1994 with effect as mentioned in Sch. 10 para. 5(8) of the amending Act) by 1994 c. 9, ss. 83, 258, Sch. 10 para. 5(5), **Sch. 26 Pt. V(3)**, Note 2
- F58** Paras. (a)(b) substituted for words in s. 55(9) (3.5.1994 with effect as mentioned in Sch. 10 para. 5(8) of the amending Act) by 1994 c. 9, s. 83, **Sch. 10 para. 5(6)**
- F59** S. 55(10)-(13) inserted (3.5.1994 with effect as mentioned in Sch. 10 para. 5(8) of the amending Act) by 1994 c. 9, s. 83, **Sch. 10 para. 5(7)**

Marginal Citations

M8 1982 c.50.

[^{F60}56 Certification of contracts.

- (1) The Board shall certify a contract under this section if it satisfies the conditions set out in subsection (3) below; and the certification shall be expressed to take effect from the time the conditions are satisfied, and shall take effect accordingly.
- (2) The Board shall revoke a certification of a contract under this section if it comes to their notice that the contract has ceased to satisfy the conditions set out in subsection (3) below; and the revocation shall be expressed to take effect from the time the conditions ceased to be satisfied, and shall take effect accordingly.
- (3) The conditions referred to above are that—
 - (a) the contract either provides indemnity in respect of all or any of the costs of all or any of the treatments, medical services and other matters for the time being specified in regulations made by the Treasury, or in addition to providing indemnity of that description provides cash benefits falling within rules for the time being so specified,
 - (b) the contract does not confer any right other than such a right as is mentioned in paragraph (a) above or is for the time being specified in regulations made by the Treasury,
 - (c) the premium under the contract is in the Board’s opinion reasonable, and
 - (d) the contract satisfies such other requirements as are for the time being specified in regulations made by the Treasury.
- (4) The certification of a contract by the Board under this section shall cease to have effect if the contract is varied; but this is without prejudice to the application of the preceding provisions of this section to the contract as varied.
- (5) Where the Board refuse to certify a contract under this section, or they revoke a certification, an appeal may be made to the Special Commissioners by—
 - (a) the insurer, or
 - (b) any person who (if the policy were certified) would be entitled to relief under section 54 above.
- (6) Where a contract is certified under this section, or a certification is revoked or otherwise ceases to have effect, any adjustments resulting from the certification or from its revocation or ceasing to have effect shall be made.

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- (7) Subsection (6) above applies where a certification or revocation takes place on appeal as it applies in the case of any other certification or revocation.
- (8) In this section the reference to a premium, in relation to a contract of insurance, is to any amount payable under the contract to the insurer.]

Textual Amendments

F60 Ss. 54-57 repealed (31.1.1997 with effect as mentioned in Sch. 8 Pt. II(2), note of the amending Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(2)** (with s. 3(3))

Modifications etc. (not altering text)

C6 For regulations see **S.I. 1989/2389** (in Part III Vol. 5 under “Private medical insurance”)

[^{F61}57 **Medical insurance: supplementary.**

- (1) The Board may by regulations—
- (a) provide that a claim under section 54(3) or (6)(b) above shall be made in such form and manner, shall be made at such time, and shall be accompanied by such documents, as may be prescribed;
 - [^{F62}(aa) make provision for and with respect to appeals against a decision of an officer of the Board or the Board with respect to a claim under section 54(6)(b) above;]
 - (b) make provision, in relation to payments in respect of which a person is entitled to relief under section 54 above, for the giving by insurers in such circumstances as may be prescribed of certificates of payment in such form as may be prescribed to such persons as may be prescribed;
 - (c) provide that a person who provides (or has at any time provided) insurance under contracts of private medical insurance shall comply with any notice which is served on him by the Board and which requires him within a prescribed period to make available for the Board’s inspection documents (of a prescribed kind) relating to such contracts;
 - (d) provide that persons of such a description as may be prescribed shall, within a prescribed period of being required to do so by the Board, furnish to the Board information (of a prescribed kind) about contracts of private medical insurance;
 - (e) make provision with respect to the approval of insurers for the purposes of section 55 above and the withdrawal of approval for the purposes of that section;
 - (f) make provision for and with respect to appeals against decisions of the Board with respect to the giving or withdrawal of approval of insurers for the purposes of section 55 above;
 - (g) make provision with respect to the certification by the Board of standard forms of eligible contract and variations from standard forms of eligible contract certified by them;
 - (h) make provision for and with respect to appeals against decisions of the Board with respect to the certification of standard forms of eligible contractor variations from standard forms of eligible contract certified by them;
 - (i) provide that certification, or the revocation of a certification, under section 56 above shall be carried out in such form and manner as may be prescribed;

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- (j) make provision with respect to appeals against decisions of the Board with respect to certification or the revocation of certification under section 56 above;
- (k) make provision generally as to administration in connection with sections 54 to 56 above.

^{F63}(2)

(3) The following provisions of the Taxes Management Act 1970, namely—

- ^{F64}[section 29(1)(c) (excessive relief) as it has effect apart from section 29(2) to (10) of that Act;]
- (b) section 30 (tax repaid in error etc.) [^{F65}apart from subsection (1B)],
- (c) [^{F66}section 86] (interest), and
- (d) section 95 (incorrect return or accounts),

[^{F67}shall apply in relation to an amount which is paid to any person by the Board as an amount recoverable by virtue of section 54(6)(b) above but to which that person is not entitled as if it were income tax which ought not to have been repaid and, where that amount was claimed by that person, as if it had been repaid as respects a chargeable period as a relief which was not due.]

^{F68}[In the application of section 86 of the Taxes Management Act 1970 by virtue of subsection (3) above in relation to sums due and payable by virtue of an assessment made under section 29(1)(c) or 30 of that Act, as applied by that subsection, the relevant date—

- (a) in a case where the person falling within section 54(6) above has made any interim claim, within the meaning of regulations made under subsection (1) and section 54(4) above, as respects some part of the year of assessment for which the assessment is made, is 1st January in that year of assessment; and
- (b) in any other case, is the later of the following dates, that is to say—
 - (i) 1st January in the year of assessment for which the assessment is made; or
 - (ii) the date of the making of the payment by the Board which gives rise to the assessment.]

(4) In sections ^{F69}... 257D(8) and 265(3) of the Taxes Act 1988 after paragraph (c) there shall be inserted

- (d) on account of any payments to which section 54(5) of the Finance Act 1989 applies”.

(5) In subsection (1) above—

“eligible contract” has the meaning given by section 55 above, and
“prescribed” means prescribed by or, in relation to form, under the regulations.]

Textual Amendments

- F61** Ss. 54-57 repealed (31.1.1997 with effect as mentioned in Sch. 8 Pt. II(2), note of the amending Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(2)** (with s. 3(3))
- F62** S. 57(1)(aa) inserted (29.4.1996) by 1996 c. 8, s. 129(3)
- F63** S. 57(2) omitted (13.8.2009) by virtue of [The Finance Act 2009, Schedule 47 \(Consequential Amendments\) Order 2009 \(S.I. 2009/2035\)](#), art. 1, **Sch. para. 60(c)**

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- F64** S. 57(3)(a) substituted (29.4.1996 with effect as mentioned in [Sch. 18 para. 17](#) of the amending Act) by [1996 c. 8, s. 132, Sch. 18 para. 12\(2\)\(a\)](#)
- F65** Words in s. 57(3)(b) inserted (29.4.1996 with effect as mentioned in [Sch. 18 para. 17](#) of the amending Act) by [1996 c. 8, s. 132, Sch. 18 para. 12\(2\)\(b\)](#)
- F66** Words in s. 57(3)(c) substituted (29.4.1996 with effect as mentioned in [Sch. 18 para. 17](#) of the amending Act) by [1996 c. 8, s. 132, Sch. 18 para. 12\(2\)\(c\)](#)
- F67** Words in s. 57(3) substituted (29.4.1996 with effect as mentioned in [Sch. 18 para. 17](#) of the amending Act) by [1996 c. 8, s. 132, Sch. 18 para. 12\(2\)\(d\)](#)
- F68** S. 57(3A) inserted (29.4.1996 with effect as mentioned in [Sch. 18 para. 17](#) of the amending Act) by [1996 c. 8, s. 132, Sch. 18 para. 12\(3\)](#)
- F69** Words in s. 57(4) repealed (16.7.1992) by virtue of [Finance \(No. 2\) Act 1992 \(c. 48\)](#), ss. 20, 82, [Sch. 5 para. 10, Sch. 18 Pt. VII\(1\)](#)

Modifications etc. (not altering text)

- C7** See [S.I. 1989/2387](#)

Charities

58 Payroll deduction scheme.

- (1) In section 202(7) of the Taxes Act 1988 (which limits to £240 the deductions attracting relief) for “£240” there shall be substituted “£480”.
- (2) This section shall have effect for the year 1989-90 and subsequent years of assessment.

^{F70}59

Textual Amendments

- F70** [S. 59](#) repealed (28.7.2000 with effect as mentioned in [s. 41\(9\)](#) of the amending Act) by [2000 c. 17, ss. 41\(7\), 156, Sch. 40 Pt. II\(1\)](#), note 3

60 British Museum and Natural History Museum.

- ^{F71}(1)
- ^{F71}(2)
- ^{F72}(3)
- ^{F73}(4)

Textual Amendments

- F71** [S. 60\(1\)\(2\)](#) repealed (with effect in accordance with [s. 1184\(1\)](#) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F72** [S. 60\(3\)](#) repealed (1.5.1995 with effect as mentioned in [s. 74\(2\)](#), [Sch. 29 Pt. VIII\(8\)](#) of the amending Act) by [1995 c. 4, ss. 74\(1\), 162, Sch. 17 Pt. III para. 25, Sch. 29 Pt. VIII\(8\)](#)
- F73** [S. 60\(4\)](#) repealed (with effect in accordance with [s. 1184\(1\)](#) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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Profit-related pay, share schemes etc.

[^{F74}61 Profit-related pay.

Schedule 4 to this Act (which amends the provisions of the Taxes Act 1988 relating to profit-related pay) shall have effect.]

Textual Amendments

F74 S. 61 repealed (19.3.1997 with effect as mentioned in Sch. 18 Pt. VI(3), notes 1, 2 of the amending Act) by 1997 c. 16, ss. 61(2)(3), 113, **Sch. 18 Pt. VI(3)**

^{F75}62 Savings-related share option schemes.

.....

Textual Amendments

F75 S. 62 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1)**, s. 723, **Sch. 8 Pt. 1** (with **Sch. 7**)

^{F76}63 Profit sharing schemes.

.....

Textual Amendments

F76 S. 63 repealed(having effect for the year 1991-92 and subsequent years of assessment) by **Finance Act 1991 (c. 31, SIF 63:1)**, s. 123, **Sch. 19 Pt.V** Note 6.

^{F77}64 Share option and profit sharing schemes: shares of consortium member.

.....

Textual Amendments

F77 S. 64 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1)**, s. 723, **Sch. 8 Pt. 1** (with **Sch. 7**)

65 Employee share schemes: material interest.

In Schedule 9 to the Taxes Act 1988 the following paragraph shall be inserted after paragraph 39—

Shares subject to an employee benefit trust

“40 (1) Where an individual has an interest in shares or obligations of the company as a beneficiary of an employee benefit trust, the trustees shall not be

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regarded as associates of his by reason only of that interest unless sub-paragraph (3) below applies in relation to him.

- (2) In this paragraph “employee benefit trust” has the same meaning as in paragraph 7 of Schedule 8.
- (3) This sub-paragraph applies in relation to an individual if at any time on or after 14th March 1989—
 - (a) the individual, either on his own or with any one or more of his associates, or
 - (b) any associate of his, with or without other such associates,
 has been the beneficial owner of, or able (directly or through the medium of other companies or by any other indirect means) to control, more than 25 per cent., or in the case of a share option scheme which is not a savings-related share option scheme more than 10 per cent., of the ordinary share capital of the company.
- (4) Sub-paragraphs (9) to (12) of paragraph 7 of Schedule 8 shall apply for the purposes of this paragraph in relation to an individual as they apply for the purposes of that paragraph in relation to an employee.”

^{F78} 66 Priority share allocations for employees etc.

.....

Textual Amendments

F78 S. 66 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

Employee share ownership trusts

67 Tax relief.

- (1) This section applies where—
 - (a) a company expends a sum in making a payment by way of contribution to the trustees of a trust which is a qualifying employee share ownership trust at the time the sum is expended,
 - (b) at that time, the company or a company which it then controls has employees who are eligible to benefit under the terms of the trust deed,
 - (c) at that time the company is resident in the United Kingdom,
 - (d) before the expiry of the expenditure period the sum is expended by the trustees for one or more of the qualifying purposes, and
 - (e) before the end of the claim period a claim for relief under this section is made.
- (2) In such a case the sum—
 - (a) shall be deducted in computing for the purposes of Schedule D the [^{F79}profits] of a trade carried on by the company,
 - [^{F80}(b) if the company is an investment company, shall be treated as expenses of management, or

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- (c) if the company is a company in relation to which the I - E rules apply and the sum is referable, in accordance with Chapter 4 of Part 2 of the Finance Act 2012, to the company's basic life assurance and general annuity business, shall be treated for the purposes of section 76 of that Act as ordinary BLAGAB management expenses of the company.]
- (3) For the purposes of subsection (1)(b) above, the question whether one company is controlled by another shall be construed in accordance with section 840 of the Taxes Act 1988.
- (4) For the purposes of subsection (1)(d) above each of the following is a qualifying purpose—
 - (a) the acquisition of shares in the company which established the trust;
 - (b) the repayment of sums borrowed;
 - (c) the payment of interest on sums borrowed;
 - (d) the payment of any sum to a person who is a beneficiary under the terms of the trust deed;
 - (e) the meeting of expenses.
- (5) For the purposes of subsection (1)(d) above the expenditure period is the period of nine months beginning with the day following the end of the period of account in which the sum is charged as an expense of the company, or such longer period as the Board may allow by notice given to the company.
- (6) For the purposes of subsection (1)(e) above the claim period is the period of two years beginning with the day following the end of the period of account in which the sum is charged as an expense of the company.
- (7) For the purposes of this section the trustees of an employee share ownership trust shall be taken to expend sums paid to them in the order in which the sums are received by them (irrespective of the number of companies making payments).

Textual Amendments

F79 Words in s. 67(2)(a) substituted (31.7.1998) by [1998 c. 36, s. 46\(3\)](#), [Sch. 7 para. 3](#)

F80 [S. 67\(2\)\(b\)\(c\)](#) substituted for [s. 67\(2\)\(b\)](#) (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 48](#)

Modifications etc. (not altering text)

C8 See [Finance Act 1990 \(c. 29\)](#) ss.31–40—*roll-over relief for disposal of assets to employee share ownership trusts*

C9 S. 67 excluded (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [s. 142\(1\)](#)

68 Principal charges to tax.

- (1) This section applies where a chargeable event (within the meaning of section 69 below) occurs in relation to the trustees of an employee share ownership trust.
- (2) In such a case—
 - (a) the trustees shall be treated as receiving, when the event occurs, [^{F81}income of an amount that] is equal to the chargeable amount (within the meaning of section 70 below),

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- [^{F82}(b) that income shall be chargeable to income tax for the year of assessment in which the event occurs,
- (ba) the tax so chargeable shall be charged on the full amount of the income the trustees are treated as receiving in the year of assessment [^{F83}, and]
- (bb) the trustees are liable for any tax so chargeable, [^{F84}...
- ^{F85}(c)
- (3) If the whole or any part of the tax assessed on the trustees is not paid before the expiry of the period of six months beginning with the day on which the assessment becomes final and conclusive, a notice of liability to tax under this subsection may be served on a qualifying company and the tax or the part unpaid (as the case may be) shall be payable by the company on service of the notice.
- (4) Where a notice of liability is served under subsection (3) above—
- (a) any interest which is due on the tax or the part (as the case may be) and has not been paid by the trustees, and
- (b) any interest accruing due on the tax or the part (as the case may be) after the date of service,
- shall be payable by the company.
- (5) Where a notice of liability is served under subsection (3) above and any amount payable by the company (whether on account of tax or interest) is not paid by the company before the expiry of the period of three months beginning with the date of service, the amount unpaid may be recovered from the trustees (without prejudice to the right to recover it instead from the company).
- (6) For the purposes of this section each of the following is a qualifying company—
- (a) the company which established the employee share ownership trust;
- (b) any company falling within subsection (7) below.
- (7) A company falls within this subsection if, before it is sought to serve a notice of liability on it under subsection (3) above—
- (a) it has paid a sum to the trustees, and
- (b) the sum has been deducted as mentioned in section 67(2)(a) above or treated as mentioned in section 67(2)(b) above.

Textual Amendments

- F81** Words in s. 68(2)(a) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 407\(a\)](#) (with [Sch. 2](#))
- F82** S. 68(2)(b)(ba)(bb) substituted for s. 68(2)(b) (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 407\(b\)](#) (with [Sch. 2](#))
- F83** Word in s. 68(2)(ba) inserted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 13 para. 28\(3\)\(a\)\(7\)](#)
- F84** Words in s. 68(2)(bb) repealed (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 13 para. 28\(3\)\(b\)\(7\)](#), [Sch. 26 Pt. 3\(15\)](#)
- F85** S. 68(2)(c) repealed (with effect in relation to payments made on or after 6.4.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 13 para. 28\(2\)\(a\)\(5\)](#), [Sch. 26 Pt. 3\(15\)](#)

Modifications etc. (not altering text)

- C10** [See Finance Act 1990 \(c. 29\)](#) ss.31–40—*roll-over relief for disposal of assets to employee share ownership trusts*

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69 Chargeable events.

(1) For the purposes of section 68 above each of the following is a chargeable event in relation to the trustees of an employee share ownership trust—

- (a) the transfer of securities by the trustees, if the transfer is not a qualifying transfer;
- (b) the transfer of securities by the trustees to persons who are at the time of the transfer beneficiaries under the terms of the trust deed, if the terms on which the transfer is made are not qualifying terms;
- (c) the retention of securities by the trustees at the expiry of the [^{F86}qualifying period] beginning with the date on which they acquired them;
- (d) the expenditure of a sum by the trustees for a purpose other than a qualifying purpose.

[^{F87}(e) where—

- (i) the trustees make a qualifying transfer within subsection (3AA) below for a consideration, and
- (ii) they do not, during the period specified in subsection (5A) below, expend a sum of not less than the amount of that consideration for one or more qualifying purposes,

the expiry of that period.]

(2) For the purposes of subsection (1)(a) above a transfer is a qualifying transfer if it is made to a person who at the time of the transfer is a beneficiary under the terms of the trust deed.

(3) For the purposes of subsection (1)(a) above a transfer is also a qualifying transfer if—

- (a) it is made to the trustees of a scheme which at the time of the transfer is a profit sharing scheme approved under Schedule 9 to the Taxes Act 1988, and
- (b) it is made for a consideration which is not less than the price the securities might reasonably be expected to fetch on a sale in the open market.

[^{F88}(3AA) For the purposes of subsection (1)(a) above a transfer is also a qualifying transfer if—

- (a) it is a transfer of relevant shares made to the trustees of the plan trust of [^{F89}a share incentive] plan,
- (b) the plan is approved under [^{F90}Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003] when the transfer is made, and
- (c) the consideration (if any) for which the transfer is made does not exceed the market value of the shares.

(3AB) For the purpose of determining whether a transfer by the trustees is a qualifying transfer within subsection (3AA) above, where on or after 21st March 2000—

- (a) the trustees transfer or dispose of part of a holding of shares (whether by way of a qualifying transfer or otherwise), and
- (b) the holding includes any relevant shares,

the relevant shares shall be treated as transferred or disposed of before any other shares included in that holding.

For this purpose “holding” means any number of shares of the same class held by the trustees, growing or diminishing as shares of that class are acquired or disposed of.

(3AC) For the purposes of subsections (3AA) and (3AB) above—

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“ market value ” has the same meaning as [^{F91}it has for the purposes of the SIP code (see paragraph 92 of Schedule 2 to the Income Tax (Earnings and Pensions) Act 2003)]; and

“ relevant shares ” means—

- (i) shares that are held by the trustees of the employee share ownership trust at midnight on 20th March 2000, and
- (ii) shares purchased by those trustees with original funds after that time.

(3AD) For the purposes of subsection (3AC) above—

- (a) “ original funds ” means any money held by the trustees of the employee share ownership trust in a bank or building society account at midnight on 20th March 2000, and
- (b) any payment made by the trustees after that time (whether to acquire shares or otherwise) shall be treated as made out of original funds (and not out of money received after that time) until those funds are exhausted.]

^{F92}[(3A) For the purposes of subsection (1)(a) above a transfer is also a qualifying transfer if it is made by way of exchange in circumstances mentioned in section 85(1) of the Capital Gains Tax Act 1979 or section 135(1) of the Taxation of Chargeable Gains Act 1992.]

(4) For the purposes of subsection (1)(b) above a transfer of securities is made on qualifying terms if—

- (a) all the securities transferred at the same time [^{F93}other than those transferred on a transfer such as is mentioned in subsection (4ZA) below] are transferred on similar terms,
- (b) securities have been offered to all the persons who are beneficiaries under the terms of the trust deed [^{F94}by virtue of a rule which conforms with paragraph 4(2), (3) or (4) of Schedule 5 to this Act] when the transfer is made, and
- (c) securities are transferred to all such [^{F95}persons] who have accepted.

[^{F96}(4ZA) For the purposes of subsection (1)(b) above a transfer of securities is also made on qualifying terms if—

- (a) it is made to a person exercising a right to acquire shares, and
- (b) that right was obtained in accordance with the provisions of [^{F97}an SAYE option scheme within the meaning of the SAYE code (see section 516(4) of the Income Tax (Earnings and Pensions) Act 2003)]—
 - (i) which was established by, or by a company controlled by, the company which established the trust, and
 - (ii) which is approved under [^{F98}Schedule 3 to that Act], and
- (c) that right is being exercised in accordance with the provisions of that scheme, and
- (d) the consideration for the transfer is payable to the trustees.]

[^{F99}(4A) For the purposes of subsection (1)(c) above the qualifying period is—

- (a) seven years, in the case of trusts established on or before the day on which the Finance Act 1994 was passed;
- (b) twenty years, in the case of other trusts;

and for this purpose a trust is established when the deed under which it is established is executed.]

(5) For the purposes of subsection (1)(d) [^{F100}or (e)] above each of the following is a qualifying purpose—

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- (a) the acquisition of shares in the company which established the trust;
- (b) the repayment of sums borrowed;
- (c) the payment of interest on sums borrowed;
- (d) the payment of any sum to a person who is a beneficiary under the terms of the trust deed;
- (e) the meeting of expenses.

[^{F101}(5A) The period referred to in paragraph (e) of subsection (1) above is the period—

- (a) beginning with the qualifying transfer mentioned in that paragraph, and
- (b) ending nine months after the end of the period of account in which that qualifying transfer took place.

For this purpose the period of account means the period of account of the company that established the employee share ownership trust.]

- (6) For the purposes of subsection (4) above, the fact that terms vary according to the levels of remuneration of beneficiaries, the length of their service, or similar factors, shall not be regarded as meaning that the terms are not similar.
- (7) In ascertaining for the purposes of this section whether particular securities are retained, securities acquired earlier by the trustees shall be treated as transferred by them before securities acquired by them later.
- (8) For the purposes of this section trustees—
 - (a) acquire securities when they become entitled to them (subject to the exceptions in subsection (9) below);
 - (b) transfer securities to another person when that other becomes entitled to them;
 - (c) retain securities if they remain entitled to them.
- (9) The exceptions are these—
 - (a) if securities are issued to trustees in exchange in circumstances mentioned in section [^{F102}135(1) of the Taxation of Chargeable Gains Act 1992], they shall be treated as having acquired them when they became entitled to the securities for which they are exchanged;
 - (b) if trustees become entitled to securities as a result of a reorganisation, they shall be treated as having acquired them when they became entitled to the original shares which those securities represent (construing “reorganisation” and “original shares” in accordance with section [^{F102}126] of that Act).
- (10) If trustees agree to take a transfer of securities, for the purposes of this section they shall be treated as becoming entitled to them when the agreement is made and not on a later transfer made pursuant to the agreement.
- (11) If trustees agree to transfer securities to another person, for the purposes of this section the other person shall be treated as becoming entitled to them when the agreement is made and not on a later transfer made pursuant to the agreement.
- (12) For the purposes of this section the following are securities—
 - (a) shares;
 - (b) debentures.

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Textual Amendments

- F86** Words in s. 69(1)(c) substituted (3.5.1994) by 1994 c. 9, s. 102, **Sch. 13 para. 6(2)**
- F87** S. 69(1)(e) inserted (28.7.2000) by 2000 c. 17, s. 55(2)
- F88** S. 69(3AA)-(3AD) inserted (28.7.2000) by 2000 c. 17, s. 55(3)
- F89** Words in s. 69(3AA)(a) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 6 para. 160(2)(a)** (with Sch. 7)
- F90** Words in s. 69(3AA)(b) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 6 para. 160(2)(b)** (with Sch. 7)
- F91** Words in s. 69(3AC) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 6 para. 160(3)** (with Sch. 7)
- F92** S. 69(3A) inserted (16.7.1992, the amending provision applying in relation to exchanges made on or after 1.1.1992) by **Finance (No. 2) Act 1992 (c. 48), s. 36(1)(2)**
- F93** Words in s. 69(4)(a) inserted (29.4.1996 with effect as mentioned in s. 120(12) of the amending Act) by 1996 c. 8, s. 120(3)(a)
- F94** Words in s. 69(4)(b) inserted (29.4.1996 with effect as mentioned in s. 120(12) of the amending Act) by 1996 c. 8, s. 120(3)(b)
- F95** Word in s. 69(4)(c) substituted (29.4.1996 with effect as mentioned in s. 120(12) of the amending Act) by 1996 c. 8, s. 120(3)(c)
- F96** S. 69(4ZA) inserted (29.4.1996 with effect as mentioned in s. 120(12) of the amending Act) by 1996 c. 8, s. 120(4)
- F97** Words in s. 69(4ZA)(b) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 6 para. 160(4)(a)** (with Sch. 7)
- F98** Words in s. 69(4ZA)(b)(ii) substituted (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 723, Sch. 6 para. 160(4)(b)** (with Sch. 7)
- F99** S. 69(4A) inserted (3.5.1994) by 1994 c. 9, s. 102, **Sch. 13 para. 6(3)**
- F100** Words in s. 69(5) inserted (28.7.2000) by 2000 c. 17, s. 55(4)
- F101** S. 69(5A) inserted (28.7.2000) by 2000 c. 17, s. 55(5)
- F102** Words in s. 69(9) substituted (in relation to tax for the year 1992-1993 and subsequent years subject as mentioned in s. 289 of the substituting Act) by **Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 10 para. 19(1)** (with s. 60, 101(1), 171, 201(3))

Modifications etc. (not altering text)

- C11** See **Finance Act 1990 (c. 29)** ss.31–40—roll-over relief for disposal of assets to employee share ownership trusts
- C12** S. 69 modified (10.7.2003) by **Finance Act 2003 (c. 14), s. 142(2)**
- C13** Definition employed for purposes of **Finance Act 1990 (c. 29)** s. 36—roll-over relief where replacement asset owned

70 Chargeable amounts.

- (1) This section has effect to determine the chargeable amount for the purposes of section 68 above.
- (2) If the chargeable event falls within section 69(1)(a), (b) or (c) above the following rules shall apply—
 - (a) if the event constitutes a disposal of the securities by the trustees for the purposes of the ^{F103}**Taxation of Chargeable Gains Act 1992**, the chargeable

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amount is an amount equal to the sums allowable under section [F103 38(1)(a)] and (b) of that Act;

- (b) if the event does not constitute such a disposal, the chargeable amount is an amount equal to the sums which would be so allowable had the trustees made a disposal of the securities for the purposes of that Act at the time the chargeable event occurs.

- (3) If the chargeable event falls within section 69(1)(d) above the chargeable amount is an amount equal to the sum concerned.

- [F104](4) If the chargeable event falls within section 69(1)(e) above the chargeable amount is an amount equal to—

- (a) the amount of the consideration received for the qualifying transfer mentioned in section 69(1)(e) above, less
- (b) the amount of any expenditure by the trustees for a qualifying purpose during the period mentioned in section 69(5A) above.]

Textual Amendments

F103 Words in s. 70(2) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para. 19\(2\)](#) (with ss. 60, 101(1), 201(3))

F104 S. 70(4) inserted (28.7.2000) by [2000 c. 17, s. 55\(6\)](#)

Modifications etc. (not altering text)

C14 See [Finance Act 1990 \(c. 29\)](#) ss.31–40—.roll-over relief for disposal of assets to employee share ownership trusts

71 Further charges to tax: borrowing.

- (1) This section applies where—

- (a) a chargeable event (within the meaning of section 69 above) occurs in relation to the trustees of an employee share ownership trust,
- (b) at the time the event occurs anything is outstanding in respect of the principal of an amount or amounts borrowed at any time by the trustees, and
- (c) the chargeable event is one as regards which section 72(2)(b) below applies.

- (2) In the following provisions of this section—

- (a) “the initial chargeable event” means the event referred to in subsection (1)(a) above, and
- (b) “the total outstanding amount” means the total amount outstanding, at the time the initial chargeable event occurs, in respect of the principal of an amount or amounts borrowed at any time by the trustees.

- (3) If any of the total outstanding amount is repaid after the initial chargeable event occurs, a further chargeable event shall occur in relation to the trustees at the end of the year of assessment in which the repayment is made.

- (4) In such a case—

- (a) the trustees shall be treated as receiving, when the further event occurs, [F105 income of an amount that] is equal to the chargeable amount,

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- [^{F106}(b) that income shall be chargeable to income tax for the year of assessment at the end of which the further event occurs,
 - (ba) the tax so chargeable shall be charged on the full amount of the income the trustees are treated as receiving in the year of assessment [^{F107}, and]
 - (bb) the trustees are liable for any tax so chargeable, [^{F108} ...
 - ^{F109}(c)
- (5) Subject to subsection (6) below, for the purposes of subsection (4) above the chargeable amount is an amount equal to the aggregate of the total outstanding amount repaid in the year of assessment.
- (6) In a case where section 72(2)(b) below had effect in the case of the initial chargeable event, for the purposes of subsection (4) above the chargeable amount is an amount equal to the smaller of—
 - (a) the aggregate of the total outstanding amount repaid in the year of assessment, and
 - (b) an amount found by applying the formula A-B-C.
- (7) For the purposes of subsection (6) above—
 - (a) A is the amount which would be the chargeable amount for the initial chargeable event apart from section 72(2) below,
 - (b) B is the chargeable amount for the initial chargeable event, and
 - (c) C is the amount (if any) found under subsection (8) below.
- (8) If, before the further chargeable event occurs, one or more prior chargeable events have occurred in relation to the trustees by virtue of the prior repayment of any of the total outstanding amount found for the time the initial chargeable event occurs, the amount found under this subsection is an amount equal to the chargeable amount for the prior chargeable event or to the aggregate of the chargeable amounts for the prior chargeable events (as the case may be).
- (9) In a case where—
 - (a) a chargeable event (within the meaning of section 69 above) occurs in relation to the trustees in circumstances mentioned in subsection (1) above,
 - (b) a sum falls to be included in the total outstanding amount found for the time the event occurs,
 - (c) another chargeable event (within the meaning of that section) occurs in relation to the trustees in circumstances mentioned in subsection (1) above, and
 - (d) the same sum or a part of it would (apart from this subsection) fall to be included in the total outstanding amount found for the time the event occurs,
 the sum or part (as the case may be) shall not be included in the total outstanding amount found for the time the other chargeable event occurs.
- (10) In ascertaining for the purposes of this section whether a repayment is in respect of a particular amount, amounts borrowed earlier shall be taken to be repaid before amounts borrowed later.
- (11) Subsections (3) to (7) of section 68 above shall apply where tax is assessed by virtue of this section as they apply where tax is assessed by virtue of that section.

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Textual Amendments

- F105** Words in s. 71(4)(a) substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 408\(a\)](#) (with [Sch. 2](#))
- F106** S. 71(4)(b)(ba)(bb) substituted for s. 71(4)(b) (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 1 para. 408\(b\)](#) (with [Sch. 2](#))
- F107** Word in s. 71(4)(ba) inserted (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\), Sch. 13 para. 28\(4\)\(a\)\(7\)](#)
- F108** Word in s. 71(4)(bb) repealed (retrospective to 6.4.2006) by [Finance Act 2006 \(c. 25\), Sch. 13 para. 28\(4\)\(b\)\(7\), Sch. 26 Pt. 3\(15\)](#)
- F109** S. 71(4)(c) repealed (with effect in relation to payments made on or after 6.4.2006) by [Finance Act 2006 \(c. 25\), Sch. 13 para. 28\(2\)\(b\)\(5\), Sch. 26 Pt. 3\(15\)](#)

Modifications etc. (not altering text)

- C15** See [Finance Act 1990 \(c. 29\) ss.31–40—roll-over relief for disposal of assets to employee share ownership trusts](#)

72 Limit on chargeable amount.

- (1) For the purposes of this section each of the following is a chargeable event in relation to the trustees of an employee share ownership trust—
 - (a) an event which is a chargeable event by virtue of section 69 above;
 - (b) an event which is a chargeable event by virtue of section 71 above.
- (2) If a chargeable event (the event in question) occurs in relation to the trustees of an employee share ownership trust, the following rules shall apply—
 - (a) the amount which would (apart from this subsection) be the chargeable amount for the event in question shall be aggregated, for the purposes of paragraph (b) below, with the chargeable amounts for other chargeable events (if any) occurring in relation to the trustees before the event in question,
 - (b) if the amount which would (apart from this subsection) be the chargeable amount for the event in question (or the aggregate found under paragraph (a) above, if there is one) exceeds the deductible amount, the chargeable amount for the event in question shall be the amount it would be apart from this subsection less an amount equal to the excess, and
 - (c) section 70(2) and (3) and section 71(5) above shall have effect subject to paragraph (b) above.
- (3) For the purposes of subsection (2) above the deductible amount (as regards the event in question) is an amount equal to the total of the sums falling within subsection (4) below.
- (4) A sum falls within this subsection if it has been received by the trustees before the occurrence of the event in question and—
 - (a) it has been deducted as mentioned in section 67(2)(a) above, or treated as mentioned in section 67(2)(b) above, before the occurrence of that event, or
 - (b) it would fall to be so deducted or treated if a claim for relief under section 67 above had been made immediately before the occurrence of that event.

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Modifications etc. (not altering text)

C16 See [Finance Act 1990 \(c. 29\)](#) ss.31–40—.roll-over relief for disposal of assets to employee share ownership trusts

73 Information.

- (1) An inspector may by notice in writing require a return to be made by the trustees of an employee share ownership trust if they have at any time received a sum which has been deducted as mentioned in section 67(2)(a) above or treated as mentioned in section 67(2)(b) above.
- (2) Where he requires such a return to be made the inspector shall specify the information to be contained in it.
- (3) The information which may be specified is information the inspector needs for the purposes of sections 68 to 72 above, and may include information about—
 - (a) sums received (including sums borrowed) by the trustees;
 - (b) expenditure incurred by them;
 - (c) assets acquired by them;
 - (d) transfers of assets made by them.
- (4) The information which may be required under subsection (3)(a) above may include the persons from whom the sums were received.
- (5) The information which may be required under subsection (3)(b) above may include the purpose of the expenditure and the persons receiving any sums.
- (6) The information which may be specified under subsection (3)(c) above may include the persons from whom the assets were acquired and the consideration furnished by the trustees.
- (7) The information which may be included under subsection (3)(d) above may include the persons to whom assets were transferred and the consideration furnished by them.
- (8) In a case where a sum has been deducted as mentioned in section 67(2)(a) above, or treated as mentioned in section 67(2)(b) above, the inspector shall send to the trustees to whom the payment was made a certificate stating—
 - (a) that a sum has been so deducted or so treated, and
 - (b) what sum has been so deducted or so treated.
- (9) In the Table in section 98 of the ^{M9}Taxes Management Act 1970 (penalties for failure to comply with notices etc.) at the end of the first column there shall be inserted— “Section 73 of the Finance Act 1989 ”.

Modifications etc. (not altering text)

C17 See [Finance Act 1990 \(c. 29\)](#) ss.31–40—.roll-over relief for disposal of assets to employee share ownership trusts

Marginal Citations

M9 1970 c. 9.

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74 Interpretation.

Schedule 5 to this Act shall have effect to determine whether, for the purposes of sections 67 to 73 above, a trust is at a particular time—

- (a) an employee share ownership trust;
- (b) a qualifying employee share ownership trust.

Modifications etc. (not altering text)

C18 See [Finance Act 1990 \(c. 29\)](#) ss.31–40—.roll-over relief for disposal of assets to employee share ownership trusts

Pensions etc.

^{F110}75 Retirement benefits schemes.

.....

Textual Amendments

F110 [Ss. 75-77](#) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#) (with [Sch. 36](#))

^{F110}76 Non-approved retirement benefits schemes.

.....

Textual Amendments

F110 [Ss. 75-77](#) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#) (with [Sch. 36](#))

^{F110}77 Personal pension schemes.

.....

Textual Amendments

F110 [Ss. 75-77](#) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#) (with [Sch. 36](#))

Unit trusts etc.

78, 79.^{F111}

Textual Amendments

F111 [Ss. 78, 79](#) repealed by [Finance Act 1990 \(c. 29, SIF 58\)](#), s.132, [Sch. 19 Pt. IV](#) Note

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^{F112}80

Textual Amendments

F112 S. 80 repealed (31.7.1998) by 1998 c. 36, s. 165, **Sch. 27 Pt. III(23)**

81 Offshore funds operating equalisation arrangements.

- (1) In section 758 of the Taxes Act 1988 (offshore funds operating equalisation arrangements) in subsection (6) (reference to section 78 of the ^{M10} Capital Gains Tax Act 1979 not to include reference to it as applied by section 82) for the words “but not” there shall be substituted the words “and a reference to section 78”.
- (2) This section shall apply where a conversion of securities occurs on or after 14th March 1989; and “conversion of securities” here has the same meaning as in section 82 of the Capital Gains Tax Act 1979.

Marginal Citations

M10 1979 c. 14.

Life assurance

^{F113}82 Calculation of profits: bonuses etc

.....

Textual Amendments

F113 S. 82 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 49**

^{F114}82A Calculation of profits: policy holders' tax

.....

Textual Amendments

F114 S. 82A omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 50**

^{F115}82B Unappropriated surplus on valuation

.....

Textual Amendments

F115 S. 82B omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 51**

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^{F116}**82C Relevant financial reinsurance contracts**

.....

Textual Amendments

F116 S. 82C repealed (with effect in accordance with Sch. 9 para. 17(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 9 para. 9](#), [Sch. 27 Pt. 2\(9\)](#); S.I. 2008/379, art. 2

^{F117}**82D. Treatment of profits: life assurance — adjustment consequent on change in Insurance Prudential Sourcebook**

.....

Textual Amendments

F117 Ss. 82D-82F omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 52](#)

^{F117}**82E. Section 82D: treatment of transferors under insurance business transfer schemes**

.....

Textual Amendments

F117 Ss. 82D-82F omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 52](#)

^{F117}**82F. Section 82D: treatment of transferees under insurance business transfer schemes**

.....

Textual Amendments

F117 Ss. 82D-82F omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 52](#)

^{F119}**83 Receipts to be [^{F118}taken] into account.**

.....

Textual Amendments

F118 Word in s. 83 heading substituted (with effect in accordance with Sch. 33 para. 2(12) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 33 para. 2\(10\)](#)

F119 S. 83 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 53](#)

^{F120}**83XA Structural assets**

.....

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Textual Amendments

F120 S. 83XA omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 54](#)

^{F121}**83YA Changes in value of assets brought into account: non-profit companies**

.....

Textual Amendments

F121 S. 83YA omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 55](#)

^{F122}**83YB Meaning of “appropriate line 51 amount” for purposes of s.83YA**

.....

Textual Amendments

F122 S. 83YB omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 55](#)

^{F123}**83YC FAFTS: charge in relevant period of account**

.....

Textual Amendments

F123 Ss. 83YC-83YF omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 56](#)

^{F123}**83YD FAFTS: deduction in subsequent periods of account**

.....

Textual Amendments

F123 Ss. 83YC-83YF omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 56](#)

^{F123}**83YE Regulations: apportionment and redefining “financial reinsurance arrangement”**

.....

Textual Amendments

F123 Ss. 83YC-83YF omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 56](#)

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F123 83YF Financial reinsurance arrangements: further provision

.....

Textual Amendments

F123 Ss. 83YC-83YF omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 56](#)

F124 83ZA Contingent loans

.....

Textual Amendments

F124 S. 83ZA omitted (with effect in accordance with Sch. 17 para. 4(1) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 17 para. 1\(4\)](#) (with [Sch. 17 para. 4\(4\)](#))

F125 83A Meaning of “brought into account”.

.....

Textual Amendments

F125 S. 83A omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 57](#)

F126 83B Changes in recognised accounts: attribution of amounts carried forward under s.432F of Taxes Act 1988

.....

Textual Amendments

F126 S. 83B omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 58](#)

F127 83AA Amounts added to long term insurance fund of a company in excess of that company’s loss.

.....

Textual Amendments

F127 S. 83AA repealed (with effect in accordance with Sch. 9 para. 17(2)(3) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 9 para. 11\(2\)\(b\)](#), [Sch. 27 Pt. 2\(9\)](#); S.I. 2008/379, art. 2

F128 83AB Treatment of surplus where there is a subsequent transfer of business from the company etc.

.....

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Textual Amendments

F128 S. 83AB repealed (with effect in accordance with Sch. 9 para. 17(2)(3) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 9 para. 11\(2\)\(c\)](#), [Sch. 27 Pt. 2\(9\)](#); S.I. 2008/379, art. 2

84 Interpretation of sections 85 to 89 and further provisions about insurance companies.

- F129** (1)
- F130** (2)
- F131** (3)
- F132** (4)
- F133** (5)
- F134** (6)

Textual Amendments

- F129** S. 84(1) repealed (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 3\(12\)](#)
- F130** S. 84(2) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 10 para. 16\(4\)\(a\)](#), [Sch. 27 Pt. 2\(10\)](#)
- F131** S. 84(3) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 10 para. 16\(4\)\(a\)](#), [Sch. 27 Pt. 2\(10\)](#)
- F132** S. 84(4) omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 247\(a\)\(i\)](#)
- F133** S. 84(5) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 10 para. 16\(4\)\(a\)](#), [Sch. 27 Pt. 2\(10\)](#)
- F134** S. 84(6) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 10 para. 16\(4\)\(a\)](#), [Sch. 27 Pt. 2\(10\)](#)

^{F135}85 Charge of certain receipts of basic life assurance business.

.....

Textual Amendments

F135 S. 85 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 59](#)

^{F137}85A Excess adjusted [^{F136}life assurance trade] profits

.....

Textual Amendments

- F136** Words in s. 85A heading substituted (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 349\(8\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F137** S. 85A omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 60](#)

^{F138}86 Spreading of relief for acquisition expenses.

.....

Changes to legislation: Finance Act 1989 is up to date with all changes known to be in force on or before 05 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F138 S. 86 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 61](#)

^{F139}**87 Management expenses.**

.....

Textual Amendments

F139 S. 87 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 10 para. 16\(4\)\(d\)](#), [Sch. 27 Pt. 2\(10\)](#)

^{F141}**88 Corporation tax: policy holders' [^{F140}share] of profits.**

.....

Textual Amendments

F140 Word in s. 88 heading substituted (with effect in accordance with Sch. 10 para. 17(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 10 para. 15\(3\)](#)

F141 S. 88 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 62](#)

^{F142}**88A Lower corporation tax rate on certain insurance company profits.**

.....

Textual Amendments

F142 S. 88A repealed (with effect in accordance with Sch. 33 para. 13(11) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 33 para. 13\(3\)](#), [Sch. 43 Pt. 3\(12\)](#)

^{F143}**89 Policy holders' share of profits.**

.....

Textual Amendments

F143 S. 89 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 63](#)

^{F144}**89A Modification of sections 82 to 83A, 88 and 89 in relation to overseas life insurance companies.**

.....

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Textual Amendments

F144 S. 89A repealed (with effect in accordance with reg. 1 of the amending S.I.) by [The Overseas Life Insurance Companies Regulations 2006 \(S.I. 2006/3271\)](#), reg. 1, **Sch. Pt. 1**

^{F145}**90 Life policies etc. held by companies.**

.....

Textual Amendments

F145 S. 90 omitted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 14 para. 17(a)**

^{F146}**90A Interpretation**

.....

Textual Amendments

F146 S. 90A repealed (with effect in accordance with Sch. 10 para. 17(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), Sch. 10 para. 14(3)(c), **Sch. 27 Pt. 2(10)**

Underwriters

^{F147}**91 Premiums trust funds: stock lending.**

.....

Textual Amendments

F147 [S. 91](#) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), **Sch. 1 Pt. 10** Group 1

92 Regulations about underwriters etc.

- ^{F148}(1)
- ^{F148}(2)
- ^{F149}(3)
- ^{F150}(4)
- ^{F150}(5)
- ^{F150}(6)
- ^{F150}(7)

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Textual Amendments

- F148** S. 92(1)(2) repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1
- F149** S. 92(3) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch. 12** (with ss. 201(3), Sch. 11 paras. 22, 26(2), 27)
- F150** S. 92(4)-(7) repealed (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by 1993 c. 34, s. 213, **Sch. 23 Pt. III(12)** Note 5

Securities

F151 93

Textual Amendments

- F151** S. 93 repealed (29.4.1996 with effect as mentioned in s. 105(1) of the amending Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. V(3)**, note

F152 94

Textual Amendments

- F152** S. 94 repealed (29.4.1996 with effect as mentioned in s. 105(1) of the amending Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. V(3)**, note

F153 95

Textual Amendments

- F153** S. 95 repealed (29.4.1996 with effect as mentioned in s. 105(1) of the amending Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. V(3)**, note

96 Securities: miscellaneous.

- F154** (1)
- F155** (2)
- F156** (3)
- F157** (4)

Textual Amendments

- F154** S. 96(1) repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1

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- F155** S. 96(2) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F156** S. 96(3) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)
- F157** S. 96(4) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), **Sch. 1 Pt. 10** Group 1

Groups of companies

[^{F158}97 **Set-off of ACT where companies remain in the same group.**

- (1) In section 240 of the Taxes Act 1988 (set-off of company's ACT against subsidiary's liability to corporation tax) at the end of subsection (5)(set-off not to be made against subsidiary's liability to corporation tax for any accounting period in which, or in any part of which, it was not a subsidiary of the surrendering company) there shall be added the words "unless throughout that period or part both companies were subsidiaries of a third company".
- (2) This section shall have effect in relation to accounting periods ending on or after 14th March 1989.]

Textual Amendments

- F158** [S. 97](#) repealed (31.7.1998 with effect in accordance with [Sch. 3](#) of the amending Act) by [1998 c. 36](#), s. 165, **Sch. 27 Pt. III(2)**, note

[^{F159}98 **Restriction on set-off of ACT.**

- (1) After section 245 of the Taxes Act 1988 there shall be inserted—

“ Restriction on application of section 240 in certain circumstances.

- (1) This section applies if—
 - (a) there is a change in the ownership of a company (“the relevant company”);
 - (b) by virtue of section 240 the relevant company is treated as having paid an amount of advance corporation tax in respect of a distribution made by it at any time before the change; and
 - (c) within the period of six years beginning three years before the change, there is a major change in the nature or conduct of a trade or business of the company which is for the purposes of section 240 the surrendering company in relation to that amount.
- (2) No advance corporation tax which the relevant company is treated by virtue of section 240 as having paid in respect of a distribution made by it in an accounting period beginning before the change of ownership shall be treated under section 239(4) as paid by it in respect of distributions made in an accounting period ending after the change of ownership; and this subsection shall apply to an accounting period in which the change of ownership occurs as if the part ending with the change of ownership, and the part after, were two separate accounting periods.

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- (3) Subsections (4) and (5) of section 245 shall apply also for the purposes of this section and as if the reference in subsection (4) of section 245 to the period of three years mentioned in subsection (1)(a) of that section were a reference to the period mentioned in subsection (1)(c) above.
- (4) Sections 768(8) and (9) and 769 shall apply also for the purposes of this section and as if in subsection (3) of section 769 the reference to the benefit of losses were a reference to the benefit of advance corporation tax.

Restriction on set-off where asset transferred after change in ownership of company.

- (1) Subsection (4) below applies if—
 - (a) there is a change in the ownership of a company (“the relevant company”);
 - (b) any advance corporation tax paid by the relevant company in respect of distributions made by it in an accounting period beginning before the change is treated under section 239(4) as paid by it in respect of distributions made by it in an accounting period ending after the change;
 - (c) after the change the relevant company acquires an asset from another company in such circumstances that section 273(1) of the Taxes Act 1970 applies to the acquisition; and
 - (d) a chargeable gain accrues to the relevant company on the disposal of the asset within the period of three years beginning with the change of ownership.
- (2) Subsection (1)(b) above shall apply to an accounting period in which the change of ownership occurs as if the part ending with the change of ownership, and the part after, were two separate accounting periods.
- (3) For the purposes of subsection (1)(d) above an asset acquired by the relevant company as mentioned in subsection (1)(c) above shall be treated as the same as an asset owned at a later time by that company if the value of the second asset is derived in whole or in part from the first asset, and in particular where the second asset is a freehold, and the first asset was a leasehold and the lessee has acquired the reversion.
- (4) In relation to the accounting period in which the chargeable gain accrues to the relevant company (“the relevant period”), section 239 shall have effect as if the limit imposed by subsection (2) of that section on the amount of advance corporation tax to be set against the relevant company’s liability to corporation tax were reduced by whichever is the lesser of—
 - (a) the amount of advance corporation tax that would have been payable (apart from section 241) in respect of a distribution made at the end of the relevant period of an amount which, together with the advance corporation tax so payable in respect of it, is equal to the chargeable gain, and
 - (b) the amount of surplus advance corporation tax in relation to the accounting period which by virtue of subsection (2) above is treated for the purposes of subsection (1)(b) above as ending with the change of ownership.

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(5) Sections 768(8) and (9) and 769 shall apply also for the purposes of this section and as if in subsection (3) of section 769 the reference to the benefit of losses were a reference to the benefit of advance corporation tax.”

(2) This section shall have effect where the change in the ownership of the relevant company occurs on or after 14th March 1989.]

Textual Amendments

F159 S. 98 repealed (31.7.1998 with effect in accordance with Sch. 3 of the amending Act) by 1998 c. 36, s. 165, Sch. 27 Pt. III(2), note

F160 99

Textual Amendments

F160 S. 99 repealed (11.5.2001 with application as mentioned in Sch. 33 Pt. 2(10) of the amending Act) by 2001 c. 9, s. 110, Sch. 33 Pt. 2(10), note

F161 100 Change in ownership of company.

.....

Textual Amendments

F161 S. 100 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

F162 101 Treatment of convertible shares or securities for purposes relating to group relief etc.

.....

Textual Amendments

F162 S. 101 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

F163 102 Surrender of company tax refund etc. within group.

.....

Textual Amendments

F163 S. 102 repealed (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 215, Sch. 3 Pt. 1 (with Sch. 2)

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Close companies

103 Repeal of apportionment provisions.

- (1) Except as provided by subsection (2) below, Chapter III of Part XI of the Taxes Act 1988 (apportionment of undistributed income etc. of close companies) shall not have effect in relation to accounting periods beginning after 31st March 1989.
- (2) Section 427(4) of the Taxes Act 1988 (which gives relief to an individual where income apportioned to him in an earlier accounting period of a close company is included in a distribution received by him in a later accounting period), and section 427(5) of, and Part I of Schedule 19 to, that Act so far as they relate to section 427(4), shall continue to have effect in any case where the subsequent distribution referred to in section 427(4) is made before 1st April 1992.

^{F164}104 Meaning of “close company”.

.....

Textual Amendments

F164 S. 104 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

^{F165}105 Small companies’ rate not available to certain close companies.

.....

Textual Amendments

F165 S. 105 repealed (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

[^{F166}106 Restriction on payment of tax credits.

- (1) In section 231 of the Taxes Act 1988 (tax credits for certain recipients of qualifying distributions) in subsection (3) after the words “made and” there shall be inserted the words “subject to subsections (3A) to (3D) below” and after that subsection there shall be inserted—

“(3A) Subject to subsection (3B) below, where it appears to the inspector that, in any accounting period of a company at the end of which it is a close investment-holding company—

- (a) arrangements relating to the distribution of the profits of the company exist or have existed the main purpose of which or one of the main purposes of which is to enable payments, or payments of a greater amount, to be made to any one or more individuals under subsection (3) above in respect of such an excess as is mentioned in that subsection, and
- (b) by virtue of those arrangements, any eligible person—

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- (i) receives a qualifying distribution consisting of a payment made by the company on the redemption, repayment or purchase of its own shares, or
- (ii) receives any other qualifying distribution in respect of shares in or securities of the company, where the amount or value of the distribution is greater than might in all the circumstances have been expected but for the arrangements,

the entitlement of the eligible person to have paid to him under subsection (3) above all or part of a tax credit in respect of any distribution made by the company in the period shall be restricted to such extent as appears to the inspector to be just and reasonable.

(3B) Subsection (3A) above does not apply in relation to a tax credit in respect of a dividend paid by a company in any accounting period in respect of its ordinary share capital if—

- (a) throughout the period, the company's ordinary share capital consisted of only one class of shares, and
- (b) no person waived his entitlement to any dividend which would have become payable by the company in the period or failed to receive any dividend which had become due and payable to him by the company in the period.

(3C) In subsection (3A) above—

“arrangements” means arrangements of any kind whether in writing or not,

“close investment-holding company” has the meaning given by section 13A, and

“eligible person”, in relation to a qualifying distribution, means an individual resident in the United Kingdom who would (apart from subsection (3A) above) be entitled to have paid to him under subsection (3) above all or part of a tax credit in respect of the distribution.

(3D) In determining under subsection (3) above whether a person is entitled to have any excess of tax credit paid to him in a case where subsection (3A) above applies, tax credits shall be set against income tax in the order that results in the greatest payment in respect of the excess.”

(2) This section shall have effect in relation to distributions made by companies in accounting periods beginning after 31st March 1989.]

Textual Amendments

F166 S. 106 repealed (31.7.1997 with effect in relation to distributions made on or after 6.4.1999) by 1997 c. 58, s. 52, Sch. 8 Pt. II(9), note 3

107 Close companies: consequential amendments.

Schedule 12 to this Act (in which Part I contains administrative provisions relating to close companies and Part II makes amendments connected with section 103 above) shall have effect.

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Settlements etc.

^{F167} **108**

Textual Amendments

F167 S. 108 repealed (1.5.1995 with effect for the year 1995-96 and subsequent years of assessment) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII(8)**, note

109 Settlements where settlor retains interest in settled property.

^{F168} (1)

^{F168} (2)

^{F168} (3)

^{F169} (4)

Textual Amendments

F168 S. 109(1)-(3) repealed (1.5.1995 with effect for the year 1995-96 and subsequent years of assessment) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII(8)**, note

F169 S. 109(4) repealed (6.4.2005) by **Income Tax (Trading and Other Income) Act 2005** (c. 5), s. 883(1), **Sch. 3** (with **Sch. 2**)

^{F170} **110 Residence of trustees.**

.....

Textual Amendments

F170 S. 110 repealed (with effect in relation to payments made on or after 6.4.2006) by **Finance Act 2006** (c. 25), **Sch. 13 para. 28(2)(c)(5)**, **Sch. 26 Pt. 3(15)**

111 Residence of personal representatives.

^{F171} (1)

^{F171} (2)

^{F171} (3)

(4) In section 824(9) of the Taxes Act 1988 (repayment supplements), for the words from “or, in” to “section 701)” there shall be substituted the words “or personal representatives (within the meaning of section 111 of the Finance Act 1989)”.

(5) ^{F172} ... this section shall apply for the year 1989-90 and subsequent years of assessment.

^{F173} (6)

^{F173} (7)

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^{F173}(8)

Textual Amendments

- F171** S. 111(1)-(3) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), Sch. 1 para. 280(a), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F172** Words in s. 111(5) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), Sch. 1 para. 280(b), **Sch. 3 Pt. 1** (with [Sch. 2](#))
- F173** S. 111(6)-(8) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), Sch. 1 para. 280(a), **Sch. 3 Pt. 1** (with [Sch. 2](#))

Miscellaneous

^{F174}**112 Security: trades etc.**

.....

Textual Amendments

- F174** S. 112 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), Sch. 1 para. 410, **Sch. 3** (with [Sch. 2](#))

^{F175}**113 Security: trades etc. (supplementary).**

.....

Textual Amendments

- F175** S. 113 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), Sch. 1 para. 410, **Sch. 3** (with [Sch. 2](#))

^{F176}^{F177}**114 Relief for pre-trading expenditure.**

.....

Textual Amendments

- F176** S. 114 repealed (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))
- F177** S. 114 repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), **Sch. 1 Pt. 10** Group 1

^{F178}**115 Double taxation: tax credits.**

.....

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Textual Amendments

F178 S. 115 omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 54(a)**

F179 **116**

Textual Amendments

F179 S. 116 repealed (29.4.1996 with effect as mentioned in s. 105(1) of the amending Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. V(3)**, note

CHAPTER II

CAPITAL ALLOWANCES

117– **F180**
120

Textual Amendments

F180 Ss. 117–120 repealed by Capital Allowance Act 1990 (c.1, SIF 63:1), s. 164(4)(5), **Sch. 2**

F181 **121**

Textual Amendments

F181 S. 121 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, **Sch. 4**

CHAPTER III

CAPITAL GAINS

Exemptions

F182 **122**

Textual Amendments

F182 S. 122 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch. 12** (with ss. 201(3), Sch. 11 paras. 22, 26(2), 27)

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123 Increase of chattel exemption.

(1) In the following enactments, namely—

^{F183}(a)

^{F184}(b)

(c) section 25(7) of that Act (information about assets disposed of),

for “£3,000”, in each place where it occurs, there shall besubstituted “£6,000”.

(2) This section applies to disposals on or after 6th April 1989 andaccordingly, in relation to subsection (1)(b) above, to assets acquired on orafter that date.

Textual Amendments

F183 S. 123(1)(a) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 201(3), Sch. 11 paras. 22, 26(2), 27)

F184 S. 123(1)(b) omitted (13.8.2009) by virtue of [The Finance Act 2009, Schedule 47 \(Consequential Amendments\) Order 2009 \(S.I. 2009/2035\)](#), art. 1, **Sch. para. 60(c)**

Gifts

^{F185}**124**

Textual Amendments

F185 S. 124 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 201(3), Sch. 11 paras. 22, 26(2), 27)

^{F186}**125**

Textual Amendments

F186 S. 125 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 201(3), Sch. 11 paras. 22, 26(2), 27)

Non-residents etc.

^{F187}**126**

Textual Amendments

F187 S. 126 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch.12** (with ss. 201(3), Sch. 11 paras. 22, 26(2), 27)

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F188 **127**

Textual Amendments

F188 S. 127 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

F189 **128**

Textual Amendments

F189 S. 128 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

F190 **129**

Textual Amendments

F190 S. 129 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

F191 **130**

Textual Amendments

F191 S. 130 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

F192 **131**

Textual Amendments

F192 S. 131 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

F193 **132**

Textual Amendments

F193 S. 132 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch.12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

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F194 **133**

Textual Amendments

F194 [S. 133](#) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

F195 **134**

Textual Amendments

F195 [S. 134](#) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

Value shifting and groups of companies

F196 **135**

Textual Amendments

F196 [S. 135](#) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

F197 **136**

Textual Amendments

F197 [S. 136](#) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

F198 **137**

Textual Amendments

F198 [S. 137](#) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

F199 **138**

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Textual Amendments

F199 S. 138 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

Miscellaneous

F200 139

Textual Amendments

F200 S. 139 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

F201 140

Textual Amendments

F201 S. 140 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

F202 141

Textual Amendments

F202 S. 141 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 12](#) (with ss. 201(3), [Sch. 11](#) paras. 22, 26(2), 27)

CHAPTER IV

MANAGEMENT

Information

142 Power to call for documents and information.

(1) Section 20 of the ^{M11} Taxes Management Act 1970 (power to call for documents of taxpayer and others) shall be amended in accordance with subsections (2) to (8) below.

F203 (2)

F204 (3)

F205 (4)

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(5) Subsections (4) and (5) shall be omitted.

(6) In subsection (6)—

- ^{F206}(a)
 (b) the words “and in relation” onwards shall be omitted.

^{F207}(7)

^{F208}(8)

^{F209}(9)

(10) This section shall apply with respect to notices given on or after the day on which this Act is passed.

Textual Amendments

F203 S. 142(2) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), **Sch. 36 para. 92(b)** (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 12)

F204 S. 142(3) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), **Sch. 36 para. 92(b)** (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 12)

F205 S. 142(4) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), **Sch. 36 para. 92(b)** (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 12)

F206 S. 142(6)(a) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), **Sch. 36 para. 92(b)** (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 12)

F207 S. 142(7) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), **Sch. 36 para. 92(b)** (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 12)

F208 S. 142(8) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), **Sch. 36 para. 92(b)** (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 12)

F209 S. 142(9) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), **Sch. 36 para. 92(b)** (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 12)

Marginal Citations

M11 1970 c. 9.

143 Power to call for papers of tax accountant.

(1) In section 20A of the ^{M12} Taxes Management Act 1970 (power to call for papers of tax accountant) for the last sentence of subsection (1) there shall be substituted—

“(1A) The reference to documents in subsection (1) above does not include—

- (a) personal records (as defined in section 12 of the Police and Criminal Evidence Act 1984), or
- (b) journalistic material (as defined in section 13 of that Act).

(1B) Subject to subsection (1A) above, the reference to documents in subsection (1) above is to those specified or described in the notice in question; and—

- (a) the notice shall require documents to be delivered within such time (which shall not be less than thirty days after the date of the notice) as may be specified in the notice; and
- (b) the inspector may take copies of them or of extracts from them.”

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- (2) This section shall apply with respect to notices given on or after the day on which this Act is passed.

Marginal Citations

M12 1970 c. 9.

144 Restrictions on powers under TMA ss.20 and 20A.

- (1) Section 20B of the ^{M13} Taxes Management Act 1970 (restrictions on powers under sections 20 and 20A) shall be amended as follows.
- (2) In subsection (1), after the word “question” there shall be inserted the words “, or to furnish the particulars in question”.
- ^{F210}(3)
- (4) In subsection (2), after the words “deliver documents”, in the first place where they occur, there shall be inserted the words “or furnish particulars”.
- ^{F211}(5)
- (6) In subsection (7), the words from “to a person” to “daughter” shall be omitted.
- ^{F212}(7)
- (8) This section shall apply with respect to notices given on or after the day on which this Act is passed.

Textual Amendments

- F210** S. 144(3) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 92(b) (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 12)
- F211** S. 144(5) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 92(b) (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 12)
- F212** S. 144(7) omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 92(b) (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with art. 12)

Marginal Citations

M13 1970 c. 9.

145 Falsification etc. of documents.

- (1) After section 20B of the ^{M14} Taxes Management Act 1970 there shall be inserted—

“20BB Falsification etc. of documents.

- (1) Subject to subsections (2) to (4) below, a person shall be guilty of an offence if he intentionally falsifies, conceals, destroys or otherwise disposes of, or causes or permits the falsification, concealment, destruction or disposal of, a document which—
- (a) he has been required by a notice under section 20 or 20A above, or

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- (b) he has been given an opportunity in accordance with section 20B(1) above,
- to deliver, or to deliver or make available for inspection.
- (2) A person does not commit an offence under subsection (1) above if he acts—
 - (a) with the written permission of a General or Special Commissioner, the inspector or an officer of the Board,
 - (b) after the document has been delivered or, in a case within section 20(3) or (8A) above, inspected, or
 - (c) after a copy has been delivered in accordance with section 20B(4) or (14) above and the original has been inspected.
 - (3) A person does not commit an offence under subsection (1)(a) above if he acts after the end of the period of two years beginning with the date on which the notice is given, unless before the end of that period the inspector or an officer of the Board has notified the person in writing that the notice has not been complied with to his satisfaction.
 - (4) A person does not commit an offence under subsection (1) (b) above if he acts—
 - (a) after the end of the period of six months beginning with the date on which an opportunity to deliver the document was given, or
 - (b) after an application for consent to a notice being given in relation to the document has been refused.
 - (5) A person guilty of an offence under subsection (1) above shall be liable—
 - (a) on summary conviction, to a fine not exceeding the statutory maximum;
 - (b) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or to both.”
 - (2) This section shall apply to any falsification, concealment, destruction or disposal of a document occurring on or after the day on which this Act is passed.

Marginal Citations

M14 1970 c. 9.

^{F213}146 Entry with warrant to obtain documents.

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Textual Amendments

F213 S. 146 repealed (8.11.2007) by Finance Act 2007 (c. 11), s. 84(5), Sch. 27 Pt. 5(1); S.I. 2007/3166, art. 2(c)

^{F214}147 Procedure where documents etc. are removed.

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Textual Amendments

F214 S. 147 repealed (8.11.2007) by Finance Act 2007 (c. 11), s. 84(5), Sch. 27 Pt. 5(1); S.I. 2007/3166, art. 2(c)

148 Interpretation.

- (1) Section 20D of the ^{M15}Taxes Management Act 1970 shall be amended as follows.
- (2) In subsection (2), for the words “of returns or accounts to be made or delivered by the other” there shall be substituted the words “or delivery of any information, return, accounts or other document which he knows will be, or is or are likely to be, used”.
- (3) For subsection (3) there shall be substituted—
- “(3) Without prejudice to section 127 of the Finance Act 1988, in sections 20 to 20CC above “document” has, subject to sections 20(8C) and 20A(1A), the same meaning as it has—
- (a) in relation to England and Wales, in Part I of the Civil Evidence Act 1968,
 - (b) in relation to Scotland, in Part III of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1968, and
 - (c) in relation to Northern Ireland, in Part I of the Civil Evidence Act (Northern Ireland) 1971.”

^{F215}(4)

Textual Amendments

F215 S. 148(4) repealed (8.11.2007) by Finance Act 2007 (c. 11), s. 84(4)(5), Sch. 22 para. 7, Sch. 27 Pt. 5(1); S.I. 2007/3166, art. 2(c)

Marginal Citations

M15 1970 c. 9.

Assessments, claims etc.

149 Assessments founded on fraudulent or negligent conduct.

- (1) The following section shall be substituted for section 36 of the Taxes Management Act 1970—

“36 Fraudulent or negligent conduct.

- (1) An assessment on any person (in this section referred to as “the person in default”) for the purpose of making good to the Crown a loss of tax attributable to his fraudulent or negligent conduct or the fraudulent or negligent conduct of a person acting on his behalf may be made at any time not later than twenty years after the end of the chargeable period to which the assessment relates.

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- (2) Where the person in default is an individual who carried on a trade or profession in partnership with another individual, or with other persons at least one of whom is an individual, at any time in the year for which the assessment is made, an assessment in respect of the profits or gains of the trade or profession for the purpose mentioned in subsection (1) above may be made not only on the person in default but also on his partner or, as the case may be, on any of his partners who is an individual.
- (3) If the person on whom the assessment is made so requires, in determining the amount of the tax to be charged for any chargeable period in any assessment made for the purpose mentioned in subsection (1) above, effect shall be given to any relief or allowance to which he would have been entitled for that chargeable period on a claim or application made within the time allowed by the Taxes Acts.”
- (2) Sections 37 to 39 (special provisions as to “neglect”) and section 41 (leave required for certain assessments) of the Taxes Management Act 1970 shall cease to have effect.
- (3) The words “section 36” shall be substituted—
 - (a) for the words “sections 36, 37 and 39” in section 30(6) of the ^{M16}Taxes Management Act 1970 (tax repaid in error etc.),
 - (b) for the words “sections 37 to 39” in section 118(3) of that Act (effect under law of Scotland of assessment in partnership name),
 - [^{F216}(c) for the words “sections 36 and 39” in paragraph 10(1) of Schedule 13 to the Taxes Act 1988 (assessments to advance corporation tax),] and
 - ^{F217}(d)
- (4) The words “fraudulent or negligent conduct” shall be substituted—
 - (a) for the words “fraud, wilful default or neglect” in—
 - ^{F218}(i)
 - ^{F219}(ii)
 - (iii) paragraph 9 of Schedule 16A to the ^{M17}Finance Act 1973 and of Schedule 19A to the Taxes Act 1988 (Lloyd’s), and
 - ^{F220}(b)
- (5) In section 105 of the Taxes Management Act 1970 (admissibility of evidence), for the words “fraud or default” and the words “fraud or wilful default” there shall be substituted the words “fraudulent conduct”.
- (6) In paragraph 9 of Schedule 16A to the Finance Act 1973 and of Schedule 19A to the Taxes Act 1988, for “37, 40 and 41” there shall be substituted “and 40”.
- (7) Nothing in this section shall affect the making of assessments—
 - (a) for years of assessment before the year 1983-84, or
 - (b) for accounting periods which ended before 1st April 1983.

Textual Amendments

F216 S. 149(3)(c) repealed (31.7.1998 with effect in accordance with [Sch. 3](#) of the amending Act) by 1998 c. 36, s. 165, [Sch. 27 Pt. III\(2\)](#), note

F217 S. 149(3)(d) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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- F218** S. 149(4)(a)(i) omitted (1.4.2010) by virtue of Finance Act 2008 (c. 9), s. 118(2), **Sch. 39 para. 65(a)**; S.I. 2009/403, art. 2(2) (with art. 10)
- F219** S. 149(4)(a)(ii) omitted (1.4.2010) by virtue of Finance Act 2008 (c. 9), s. 118(2), **Sch. 39 para. 65(a)**; S.I. 2009/403, art. 2(2) (with art. 10)
- F220** S. 149(4)(b) repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), **Sch. 3 Pt. 2** (with Sch. 2)

Marginal Citations

- M16** 1970 c.9.
M17 1973 c. 51.

150 Further assessments: claims etc.

- (1) The following sections shall be inserted after section 43 of the Taxes Management Act 1970—

“43A Further assessments: claims etc.

- (1) This section applies where—
- (a) by virtue of section 29(3) of this Act an assessment is made on any person for a chargeable period, and
 - (b) the assessment is not made for the purpose of making good to the Crown any loss of tax attributable to his fraudulent or negligent conduct or the fraudulent or negligent conduct of a person acting on his behalf.
- (2) Without prejudice to section 43(2) above but subject to section 43B below, where this section applies—
- (a) any relevant claim, election, application or notice which could have been made or given within the time allowed by the Taxes Acts may be made or given at any time within one year from the end of the chargeable period in which the assessment is made, and
 - (b) any relevant claim, election, application or notice previously made or given may at any such time be revoked or varied—
 - (i) in the same manner as it was made or given, and
 - (ii) by or with the consent of the same person or persons who made, gave or consented to it (or, in the case of any such person who has died, by or with the consent of his personal representatives),except where by virtue of any enactment it is irrevocable.
- (3) For the purposes of this section and section 43B below, a claim, election, application or notice is relevant in relation to an assessment for a chargeable period if—
- (a) it relates to that chargeable period or is made or given by reference to an event occurring in that chargeable period, and
 - (b) it or, as the case may be, its revocation or variation has or could have the effect of reducing any of the liabilities mentioned in subsection (4) below.
- (4) The liabilities referred to in subsection (3) above are—
- (a) the increased liability to tax resulting from the assessment,

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- (b) any other liability to tax of the person concerned for—
 - (i) the chargeable period to which the assessment relates, or
 - (ii) any chargeable period which follows that chargeable period and ends not later than one year after the end of the chargeable period in which the assessment is made.
- (5) Where a claim, election, application or notice is made, given, revoked or varied by virtue of subsection (2) above, all such adjustments shall be made, whether by way of discharge or repayment of tax or the making of assessments or otherwise, as are required to take account of the effect of the taking of that action on any person's liability to tax for any chargeable period.
- (6) The provisions of this Act relating to appeals against decisions on claims shall apply with any necessary modifications to a decision on the revocation or variation of a claim by virtue of subsection (2) above.

43B Limits on application of section 43A.

- (1) If the effect of the exercise by any person of a power conferred by section 43A(2) above—
 - (a) to make or give a claim, election, application or notice, or
 - (b) to revoke or vary a claim, election, application or notice previously made or given,
 would be to alter the liability to tax of another person, that power may not be exercised except with the consent in writing of that other person or, where he has died, his personal representatives.
- (2) Where—
 - (a) a power conferred by subsection (2) of section 43A above is exercised in consequence of an assessment made on a person, and
 - (b) the exercise of the power increases the liability to tax of another person,
 that section shall not apply by reason of any assessment made because of that increased liability.
- (3) In any case where—
 - (a) one or more relevant claims, elections, applications or notices are made, given, revoked or varied by virtue of the application of section 43A above in the case of an assessment, and
 - (b) the total of the reductions in liability to tax which, apart from this subsection, would result from the action mentioned in paragraph (a) above would exceed the additional liability to tax resulting from the assessment,
 the excess shall not be available to reduce any liability to tax.
- (4) Where subsection (3) above has the effect of limiting either the reduction in a person's liability to tax for more than one period or the reduction in the liability to tax of more than one person, the limited amount shall be apportioned between the periods or persons concerned—
 - (a) except where paragraph (b) below applies, in such manner as may be specified by the inspector by notice in writing to the person or persons concerned, or

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- (b) where the person concerned gives (or the persons concerned jointly give) notice in writing to the inspector within the relevant period, in such manner as may be specified in the notice given by the person or persons concerned.
- (5) For the purposes of paragraph (b) of subsection (4) above the relevant period is the period of 30 days beginning with the day on which notice under paragraph (a) of that subsection is given to the person concerned or, where more than one person is concerned, the latest date on which such notice is given to any of them.”
- (2) This section shall apply in relation to any assessment notice of which is issued on or after the day on which this Act is passed.

F221 151 Assessment of trustees etc.

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Textual Amendments

F221 S. 151 repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), Sch. 7 para. 60, [Sch. 10 Pt. 12](#) (with Sch. 9 paras. 1-9, 22)

Distress and poinding etc.

152 Distress for non-payment of tax.

- (1) Section 61 of the ^{M18}Taxes Management Act 1970 (distress) shall be amended as follows.
- (2) In subsection (1), for the words “the collector shall” onwards there shall be substituted the words “the collector may distrain upon the goods and chattels of the person charged (in this section referred to as “the person in default”).”
- (3) In subsection (2), for the words from “a collector” to “Commissioners” there shall be substituted the words “a justice of the peace, on being satisfied by information on oath that there is reasonable ground for believing that a person is neglecting or refusing to pay a sum charged, may issue a warrant in writing authorising a collector to”.
- (4) In subsection (4), for the words “neglecting or refusing to pay” there shall be substituted the words “in default”.
- (5) In subsection (5)—
 - (a) for the word “aforesaid” there shall be substituted the words “in default”,
 - (b) the words “within the said five days” shall be omitted,
 - (c) for the words from “two or more inhabitants of the parish” to “sufficient persons” there shall be substituted the words “one or more independent persons appointed by the collector”, and
 - (d) the words from “The costs” to “the collector, and” shall be omitted.
- (6) The following subsection shall be added after that subsection—

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“(6) The Treasury may by regulations make provision with respect to—

- (a) the fees chargeable on or in connection with the levying of distress, and
- (b) the costs and charges recoverable where distress has been levied;

and any such regulations shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.”

(7) This section shall come into force on such day as the Treasury may by order made by statutory instrument appoint.

Marginal Citations

M18 1970 c. 9.

153 Priority in cases of distraint by others.

(1) Section 62 of the ^{M19}Taxes Management Act 1970 (priority of claim for tax) shall be amended as follows.

(2) In subsection (1)—

- (a) for the words from the beginning to “shall be” there shall be substituted the words “If at any time at which any goods or chattels belonging to any person (in this section referred to as “the person in default”) are”,
- (b) for the word “unless” there shall be substituted the words “the person in default is in arrears in respect of any such sums as are referred to in subsection (1A) below, the goods or chattels may not be so taken unless on demand made by the collector”, and
- (c) for the words “arrears of tax” onwards there shall be substituted the words “such sums as have fallen due at or before the date of seizure.”

(3) The following subsection shall be inserted after that subsection—

“(1A) The sums referred to in subsection (1) above are—

- (a) sums due from the person in default on account of deductions of income tax from emoluments paid during the period of twelve months next before the date of seizure, being deductions which the person in default was liable to make under section 203 of the principal Act (pay as you earn) less the amount of the repayments of income tax which he was liable to make during that period; and
- (b) sums due from the person in default in respect of deductions required to be made by him for that period under section 559 of the principal Act (sub-contractors in the construction industry).”

(4) In subsection (2)—

- (a) for the words from the beginning to “the collector shall” there shall be substituted the words “If the sums referred to in subsection (1) above are not paid within ten days of the date of the demand referred to in that subsection, the collector may”,
- (b) for the words “shall proceed” there shall be substituted the words “may proceed”, and

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- (c) for the words “the tax charged and claimed” there shall be substituted the words “those sums”.

Marginal Citations

M19 1970 c. 9.

154 Recovery of tax from debtor in Scotland.

- (1) Section 63 of the ^{M20}Taxes Management Act 1970 (recovery of tax in Scotland) shall be amended as follows.
- (2) In subsection (3), for the words “which relates to” onwards there shall be substituted the words “insofar as it relates to sums due in respect of—
- (a) deductions of income tax which any person specified in the application was liable to make under section 203 of the principal Act (pay as you earn); or
 - (b) deductions required to be made under section 559 of the principal Act (sub-contractors in the construction industry) by any person specified in the application.”
- (3) The following subsection shall be added after that subsection—
- “(4) In this section references to amounts of tax due and references to sums due in respect of deductions include references to amounts which are deemed to be—
- (a) amounts of tax which the person is liable to pay by virtue of the Income Tax (Employments) Regulations 1973; or
 - (b) amounts which the person is liable to pay by virtue of the Income Tax (Sub-Contractors in the Construction Industry) Regulations 1975.”

Marginal Citations

M20 1970 c. 9.

155 Priority in cases of poinding etc. by others in Scotland.

- (1) Section 64 of the Taxes Management Act 1970 (priority of claim for tax in Scotland) shall be amended as follows.
- (2) In subsection (1)—
- (a) for the words from the beginning to “shall be” there shall be substituted the words “If at any time at which any moveable goods and effects belonging to any person (in this section referred to as “the person in default”) are”,
 - (b) for the word “unless” there shall be substituted the words “the person in default is in arrears in respect of any such sums as are referred to in subsection (1A) below, the goods and effects may not be so taken unless on demand made by the collector”, and
 - (c) for the words “the tax so in arrear” onwards there shall be substituted the words “such sums as have fallen due at or before the date of poinding or, as the case may be, other diligence or assignation.”

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(3) The following subsection shall be inserted after that subsection—

“(1A) The sums referred to in subsection (1) above are—

- (a) sums due from the person in default on account of deductions of income tax from emoluments paid during the period of twelve months next before the date of pointing, being deductions which the person in default was liable to make under section 203 of the principal Act (pay as you earn) less the amount of the repayments of income tax which he was liable to make during that period; and
- (b) sums due from the person in default in respect of deductions required to be made by him for that period under section 559 of the principal Act (sub-contractors in the construction industry).”

(4) In subsection (2)—

- (a) for the words from the beginning to “the tax claimed shall” there shall be substituted the words “If the sums referred to in subsection (1) above are not paid within ten days of the date of the demand referred to in that subsection, the sums shall”, and
- (b) for the words “proceeding at his instance” there shall be substituted the word “proceedings”.

Interest etc.

156 Interest on overdue tax.

(1) In section 86 of the ^{M21}Taxes Management Act 1970, for subsection (3) and the words in subsection (4) preceding the Table there shall be substituted—

“(3) For the purposes of this section—

- (a) the reckonable date in relation to any tax charged by an assessment to income tax under Schedule E, and
- (b) subject to subsection (3A) below, the reckonable date in relation to tax charged by any other assessment to which this section applies,

is the date on which the tax becomes due and payable.

(3A) Where an appeal has been made against an assessment and any of the tax charged by the assessment is due and payable on a date later than the date given by the Table in subsection (4) below, the reckonable date in relation to the tax so due and payable is the later of—

- (a) the date given by that Table, and
- (b) the date on which the tax would have been due and payable if there had been no appeal against the assessment (assuming in a case where the tax would not have been charged by the assessment if there had been no appeal that it was so charged).

(4) The Table referred to in subsection (3A) above is as follows—”.

(2) In section 55 of that Act—

- (a) in subsection (2), for the words “it were” onwards there shall be substituted the words “there had been no appeal.”,
- (b) in subsection (6), for paragraphs (a) and (b) there shall be substituted—

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- “(a) in the case of a determination made on an application under subsection (3) above, other than an application made by virtue of subsection (3A) above, the date on which any tax the payment of which is not so postponed is due and payable shall be determined as if the tax were charged by an assessment notice of which was issued on the date of that determination and against which there had been no appeal; and
- (b) in the case of a determination made on an application under subsection (4) above—
 - (i) the date on which any tax the payment of which ceases to be so postponed is due and payable shall be determined as if the tax were charged by an assessment notice of which was issued on the date of that determination and against which there had been no appeal; and
 - (ii) any tax overpaid shall be repaid.” and
- (c) for subsection (9) there shall be substituted—
 - “(9) On the determination of the appeal—
 - (a) the date on which any tax payable in accordance with that determination is due and payable shall, so far as it is tax the payment of which had been postponed, or which would not have been charged by the assessment if there had been no appeal, be determined as if the tax were charged by an assessment—
 - (i) notice of which was issued on the date on which the inspector issues to the appellant a notice of the total amount payable in accordance with the determination, and
 - (ii) against which there had been no appeal; and
 - (b) any tax overpaid shall be repaid.”
- (3) In section 56(9) of that Act, for the words “amount of” there shall be substituted the words “amount charged by”.
- (4) This section shall apply to tax charged by any assessment notice of which is issued after 30th July 1982.

Marginal Citations
M21 1970 c. 9.

157 Effect of certain claims on interest.

- (1) In relation to any tax charged by an assessment made under section 252(1) of the Taxes Act 1988 to recover corporation tax that becomes payable as a result of the making of a claim under section 240 of that Act, the reckonable date for the purposes of section 86 of the ^{M22}Taxes Management Act 1970 (in this section referred to as “section 86”) is the date which is given by paragraph 5 of the Table in subsection (4) of that section.
- (2) Subsections (3) and (4) below apply in any case where—

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- (a) there is in any accounting period of a company (in this section referred to as “the later period”) an amount of surplus advance corporation tax, as defined in subsection (3) of section 239 of the Taxes Act 1988, 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 239 as discharging liability for an amount of corporation tax for an earlier accounting period (in this section referred to as “the earlier period”), and
 - (c) if the claim under the said subsection (3) had not been made—
 - (i) an amount of corporation tax assessed for the earlier period would carry interest in accordance with section 86, or
 - (ii) an assessment could have been made under section 252(1) of that Act to recover corporation tax for the earlier period.
- (3) In determining the amount of interest payable under section 86 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 section 239(3) of the Taxes Act 1988 except so far as concerns interest for any time after the day following the expiry of nine months from the end of the later period.
- (4) Where, but for the claim under section 239(3) of the Taxes Act 1988, an assessment could have been made under section 252(1) of that Act to recover corporation tax for the earlier period, interest under section 86 shall be chargeable, in relation to any time not later than the day referred to in subsection (3) above, as if the claim had not been made and such an assessment had been made.
- (5) In relation to interest charged under section 86 by virtue of subsection (4) above, section 69 of the ^{M23}Taxes Management Act 1970 shall have effect with the substitution for the words following paragraph (c) of the words “as if it were tax charged and due and payable under an assessment”.
- (6) In this section—
- (a) subsection (1) above shall have effect where the claim under 240 of the Taxes Act 1988 is made on or after 14th March 1989, and
 - (b) subsections (2) to (5) above shall have effect where the claim under section 239(3) of that Act is made on or after that date,
- but this section shall not have effect in relation to corporation tax for any accounting period ending after the day which is the appointed day for the purposes of section 85 of the ^{M24}Finance (No.2) Act 1987.

Marginal Citations

M22 1970 c. 9.

M23 1970 c. 9.

M24 1987 c. 51.

158 Small amounts of interest.

- (1) In the Taxes Management Act 1970—
- (a) section 86(6) (remission of interest payable on overdue income tax, capital gains tax or corporation tax where interest would not exceed £30), and

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- (b) section 87(4) (no interest payable on overdue advance corporation tax or income tax on company payments where interest would not exceed £30), shall cease to have effect.
- (2) The words “of not less than £25” in—
 - (a) [^{F222}section 283(1) of the ^{M25}Taxation of Chargeable Gains Act 1992] (no repayment supplement where overdue repayment of capital gains tax less than £25), and
 - (b) section 824(1)(a) and (b) and (5) of the Taxes Act 1988 (no repayment supplement where overdue repayment of income tax etc. less than £25),
and the words “of not less than £100” in section 825(2) of the Taxes Act 1988 (no repayment supplement where overdue repayment of company tax less than £100) shall cease to have effect.
- (3) Paragraph (a) of subsection (1) above shall have effect—
 - (a) in relation to income tax under Schedule E, where the demand for the tax is made on or after the appointed day, and
 - (b) in any other case, where the tax is charged by an assessment notice of which is issued on or after the appointed day.
- (4) Paragraph (b) of that subsection shall have effect where the tax is charged by an assessment relating to an accounting period beginning on or after the appointed day.
- (5) Subsection (2) above shall have effect in relation to repayments of tax made on or after the appointed day.
- (6) In this section “the appointed day” means such day as the Treasury may by order made by statutory instrument appoint; and different days may be appointed for different enactments or for different purposes of the same enactment.

Textual Amendments

F222 Words in s. 158(2)(a) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para. 19\(3\)](#) (with ss. 60, 101(1), 201(3))

Marginal Citations

M25 [1975 c. 45](#).

[^{F223}159 Interest on tax in case of failure or error.

- (1) Section 88 of the ^{M26}Taxes Management Act 1970 (interest on tax recovered to make good loss due to taxpayer’s fault) shall be amended as follows.
- (2) In subsection (1), for the words “the fraud, wilful default or neglect of any person” there shall be substituted the words—
 - “(a) a failure to give a notice, make a return or produce or furnish a document or other information required by or under the Taxes Acts, or
 - (b) an error in any information, return, accounts or other document delivered to an inspector or other officer of the Board,”.

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(3) The following subsection shall be added at the end—

“(7) In paragraph (a) of subsection (1) above the reference to a failure to do something includes, in relation to anything required to be done at a particular time or within a particular period, a reference to a failure to do it at that time or within that period; and, accordingly, section 118(2) of this Act shall not apply for the purposes of that paragraph.”

(4) This section shall have effect in relation to failures occurring, and errors in any information or documents delivered, on or after the day on which this Act is passed.]

Textual Amendments

F223 S. 159 repealed (29.4.1996 with effect as specified in [Sch. 18 para. 17](#) of the amending Act) by [1996 c. 8, s. 205, Sch. 41 Pt. V\(8\)](#), note

Marginal Citations

M26 [1970 c. 9.](#)

160 Determinations under TMA s. 88.

^{F224}[(1) In subsection (1) of section 88 of the Taxes Management Act 1970, for the words “shall carry” there shall be substituted the words “shall, if an inspector or the Board so determine, carry”.]

[^{F224}(2) The following section shall be inserted after that section—

“ Determinations under section 88.

- (1) Notice of a determination under section 88 above shall be served on the person liable to pay the interest to which it relates and shall specify—
 - (a) the date on which it is issued,
 - (b) the amount of the tax which carries interest and the assessment by which that tax was charged,
 - (c) the date when for the purposes of section 88 above that tax ought to have been paid, and
 - (d) the time within which an appeal against the determination may be made.
- (2) After the notice of a determination under section 88 above has been served the determination shall not be altered except in accordance with this section.
- (3) A determination under section 88 above may be made at any time—
 - (a) within six years after the end of the chargeable period for which the tax carrying the interest is charged (or, in the case of development land tax, of the financial year in which the liability for that tax arose), or
 - (b) within three years after the date of the final determination of the amount of that tax.
- (4) An appeal may be brought against a determination under section 88 above and, subject to the following provisions of this section, the provisions of this Act relating to appeals shall have effect in relation to an appeal against such a

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determination as they have effect in relation to an appeal against an assessment to tax.

(5) On an appeal against a determination under section 88 above section 50(6) to (8) of this Act shall not apply but the Commissioners may—

- (a) if it appears to them that the tax carries no interest under that section, set the determination aside,
- (b) if the determination appears to them to be correct, confirm the determination, or
- (c) if the determination appears to them to be incorrect as to the amount of tax or the date on which the tax ought to have been paid, revise the determination accordingly.”]

^{F225}(3)

[^{F224}(4) In section 113 of that Act (form of documents), the following subsections shall be inserted after subsection (1B)—

“(1C) Where an officer of the Board has decided that an amount of tax carries interest under section 88 of this Act and has taken the decisions needed for arriving at the date when for the purposes of that section that tax ought to have been paid, he may entrust to any other officer of the Board responsibility for completing the determination procedure, whether by means involving the use of a computer or otherwise, including responsibility for serving notice of the determination on the person liable to the interest.”]

(5) In section 114 of that Act (want of form not to invalidate), after the word “assessment”, in each place where it occurs, there shall be inserted the words “or determination”.

[^{F226}(6) In paragraph 5 of Schedule 3 to that Act (rules for assigning proceedings to Commissioners), the following entry shall be inserted in the first column after the entry relating to an appeal against an assessment to capital gain tax— “ An appeal against a determination under section 88 of this Act. ”]

Textual Amendments

F224 S. 160(1)(2)(4) repealed (29.4.1996 with effect as specified in [Sch. 18 para. 17](#) of the amending Act) by 1996 c. 8, s. 205, [Sch. 41 Pt. V\(8\)](#), note

F225 [S. 160\(3\)](#) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), [Sch. 1 Pt. 10](#) Group 1

F226 S. 160(6) repealed (29.4.1996 with effect as mentioned in [Sch. 22 para. 12](#) of the amending Act) by 1996 c. 8, s. 205, [Sch. 41 Pt. V\(12\)](#), note

[^{F227}161 Tax carrying interest under TMA ss. 86 and 88.

The following subsection shall be substituted for section 88(3) of the ^{M27}Taxes Management Act 1970—

“(3) Where it is finally determined that any tax carries interest under this section, the tax shall carry no interest under section 86 or 86A above (and, accordingly, any interest under either of those sections which has been paid before the final determination shall be set off against the amount of the interest under this section); and for the purposes of this subsection a determination that tax carries interest is not final until it can no longer be varied, whether by any Commissioners on appeal or by the order of any court.”]

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Textual Amendments

F227 S. 161 repealed (29.4.1996 with effect as specified in [Sch. 18 para. 17](#) of the amending Act) by [1996 c. 8, s. 205, Sch. 41 Pt. V\(8\)](#), note

Marginal Citations

M27 [1970 c. 9](#).

Penalties

^{F228}162 Failure to make return.

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Textual Amendments

F228 [S. 162](#) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\), s. 3\(2\), Sch. 1 Pt. 10](#) Group 1

163 Incorrect return, accounts etc.

(1) In—

^{F229}(a)

(b) section 96(1) of that Act (incorrect return etc. for corporation tax),
 for the words “the aggregate” onwards there shall be substituted the words “the amount of the difference specified in subsection (2) below.”

(2) This section shall apply in relation to returns, statements, declarations or accounts delivered, made or submitted on or after the day on which this Act is passed.

Textual Amendments

F229 [S. 163\(1\)\(a\)](#) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\), Sch. 27 Pt. 5\(5\)](#)

164 Special returns, information etc.

(1) Section 98 of the Taxes Management Act 1970 (special returns, information etc.) shall be amended as follows.

(2) In subsection (1) (initial and daily penalties)—

(a) for the word “Where” there shall be substituted the words “Subject to section 98A below, where”, and

(b) for the words “subsection (3)” onwards there shall be substituted the words “subsections (3) and (4) below—

(i) to a penalty not exceeding £300, and

(ii) if the failure continues after a penalty is imposed under paragraph (i) above, to a further penalty or penalties not exceeding £60 for each day on which the failure continues after the day on which the

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penalty under paragraph (i) above was imposed (but excluding any day for which a penalty under this paragraph has already been imposed).”

(3) In subsection (2) (maximum penalty for information given fraudulently or negligently)

- (a) for the word “Where” there shall be substituted the words “Subject to section 98A below, where”, and
- (b) for the words “ £250, or, in the case of fraud, £500” there shall be substituted “ £3,000”.

(4) The following subsections shall be substituted for subsection (3)—

“(3) No penalty shall be imposed under subsection (1) above in respect of a failure within paragraph (a) of that subsection at any time after the failure has been remedied.

(4) No penalty shall be imposed under paragraph (ii) of subsection (1) above in respect of a failure within paragraph (b) of that subsection at any time after the failure has been remedied.”

(5) In the Table—

- (a) in the first column, in the entry relating to Part III of the ^{M28}Taxes Management Act 1970, the words “, except sections 16 and 24(2)” shall be omitted;
- ^{F230}(b)
- (c) the entry relating to section 481(5)(k) of that Act shall be omitted from the first column and an entry relating to section 482(2) of that Act shall be inserted at the appropriate place in the second column.

(6) In consequence of the amendment made by subsection (5)(a) above section 16(6) of the Taxes Management Act 1970 shall cease to have effect.

(7) This section shall apply in relation to—

- (a) any failure to comply with a notice or to furnish information, give a certificate or produce a document or record beginning on or after the day on which this Act is passed, and
- (b) the furnishing, giving, producing or making of any incorrect information, certificate, document, record or declaration on or after that day.

Textual Amendments

F230 S. 164(5)(b) repealed (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 10 Pt. 12](#) (with [Sch. 9 paras. 1-9, 22](#))

Marginal Citations

M28 1970 c.9.

165 Special penalties in the case of certain returns.

(1) The following section shall be inserted after section 98 of the Taxes Management Act 1970—

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“98A Special penalties in the case of certain returns.

- (1) Regulations under section 203(2) (PAYE) or 566(1) (sub-contractors) of the principal Act may provide that this section shall apply in relation to any specified provision of the regulations.
 - (2) Where this section applies in relation to a provision of regulations, any person who fails to make a return in accordance with the provision shall be liable—
 - (a) to a penalty or penalties of the relevant monthly amount for each month (or part of a month) during which the failure continues, but excluding any month after the twelfth or for which a penalty under this paragraph has already been imposed, and
 - (b) if the failure continues beyond twelve months, without prejudice to any penalty under paragraph (a) above, to a penalty not exceeding so much of the amount payable by him in accordance with the regulations for the year of assessment to which the return relates as remained unpaid at the end of 19th April after the end of that year.
 - (3) For the purposes of subsection (2)(a) above, the relevant monthly amount in the case of a failure to make a return—
 - (a) where the number of persons in respect of whom particulars should be included in the return is fifty or less, is £100, and
 - (b) where that number is greater than fifty, is £100 for each fifty such persons and an additional £100 where that number is not a multiple of fifty.
 - (4) Where this section applies in relation to a provision of regulations, any person who fraudulently or negligently makes an incorrect return of a kind mentioned in the provision shall be liable to a penalty not exceeding the difference between—
 - (a) the amount payable by him in accordance with the regulations for the year of assessment to which the return relates, and
 - (b) the amount which would have been so payable if the return had been correct.”
- [^{F231}(2) In relation to a failure to make a return beginning before such day as the Treasury may by order made by statutory instrument appoint, section 98A(2) shall have effect with the substitution of the following paragraph for paragraph (a)—
- “(a) to—
- (i) a penalty not exceeding twelve times the relevant monthly amount, and
 - (ii) if the failure continues after a penalty is imposed under sub-paragraph (i) above, a further penalty or penalties of the relevant monthly amount for each month (or part of a month) during which the failure continues, but excluding any month after the twelfth or for which a penalty under this sub-paragraph has already been imposed.”.]

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Textual Amendments

F231 S. 165(2) repealed (with effect in relation to failures beginning on or after 20.5.1995) by [Finance Act 1989 \(c. 26, SIF 63:1\)](#), ss. 165(2), 187(1), [Sch. 17 Pt. VIII](#) Note 7; [S.I. 1994/2508](#), [art. 2](#)

166 Assisting in preparation of incorrect return etc.

- (1) The following section shall be substituted for section 99 of the ^{M29}Taxes Management Act 1970—

“99 Assisting in preparation of incorrect return etc.

Any person who assists in or induces the preparation or delivery of any information, return, accounts or other document which—

- (a) he knows will be, or is or are likely to be, used for any purpose of tax, and
 - (b) he knows to be incorrect,
- shall be liable to a penalty not exceeding £3,000.”

- (2) This section shall apply in relation to assistance and inducements occurring on or after the day on which this Act is passed.

Marginal Citations

M29 1970c. 9.

167 Determination of penalties.

The following sections shall be substituted for section 100 of the ^{M30}Taxes Management Act 1970—

“100 Determination of penalties by officer of Board.

- (1) Subject to subsection (2) below and except where proceedings for a penalty have been instituted under section 100D below or a penalty has been imposed by the Commissioners under section 53 of this Act, an officer of the Board authorised by the Board for the purposes of this section may make a determination imposing a penalty under any provision of the Taxes Acts and setting it at such amount as, in his opinion, is correct or appropriate.
- (2) Subsection (1) above does not apply where the penalty is a penalty under—
- (a) section 93(1) above as it has effect before the amendments made by section 162 of the Finance Act 1989 or section 93(1)(a) above as it has effect after those amendments,
 - (b) section 94(1) above as it has effect before the substitution made by section 83 of the Finance (No.2) Act 1987,
 - (c) section 98(1) above as it has effect before the amendments made by section 164 of the Finance Act 1989 or section 98(1)(i) above as it has effect after those amendments, or

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- (d) paragraph (a)(i) of section 98A(2) above as it has effect by virtue of section 165(2) of the Finance Act 1989.
- (3) Notice of a determination of a penalty under this section shall be served on the person liable to the penalty and shall state the date on which it is issued and the time within which an appeal against the determination may be made.
- (4) After the notice of a determination under this section has been served the determination shall not be altered except in accordance with this section or on appeal.
- (5) If it is discovered by an officer of the Board authorised by the Board for the purposes of this section that the amount of a penalty determined under this section is or has become insufficient the officer may make a determination in a further amount so that the penalty is set at the amount which, in his opinion, is correct or appropriate.
- (6) In any case where—
 - (a) a determination under this section is of a penalty under section 94(6) above, and
 - (b) after the determination has been made it is discovered by an officer of the Board authorised by the Board for the purposes of this section that the amount which was taken into account as the relevant amount of tax is or has become excessive,
 the determination shall be revised so that the penalty is set at the amount which is correct; and, where more than the correct amount has already been paid, the appropriate amount shall be repaid.

100A Provisions supplementary to section 100.

- (1) Where a person who has incurred a penalty has died, a determination under section 100 above which could have been made in relation to him may be made in relation to his personal representatives, and any penalty imposed on personal representatives by virtue of this subsection shall be a debt due from and payable out of his estate.
- (2) A penalty determined under section 100 above shall be due and payable at the end of the period of thirty days beginning with the date of the issue of the notice of determination.
- (3) A penalty determined under section 100 above shall for all purposes be treated as if it were tax charged in an assessment and due and payable.

100B Appeals against penalty determinations.

- (1) An appeal may be brought against the determination of a penalty under section 100 above and, subject to the following provisions of this section, the provisions of this Act relating to appeals shall have effect in relation to an appeal against such a determination as they have effect in relation to an appeal against an assessment to tax.
- (2) On an appeal against the determination of a penalty under section 100 above section 50(6) to (8) of this Act shall not apply but—

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- (a) in the case of a penalty which is required to be of a particular amount, the Commissioners may—
 - (i) if it appears to them that no penalty has been incurred, set the determination aside,
 - (ii) if the amount determined appears to them to be correct, confirm the determination, or
 - (iii) if the amount determined appears to them to be incorrect, increase or reduce it to the correct amount,
 - (b) in the case of any other penalty, the Commissioners may—
 - (i) if it appears to them that no penalty has been incurred, set the determination aside,
 - (ii) if the amount determined appears to them to be appropriate, confirm the determination,
 - (iii) if the amount determined appears to them to be excessive, reduce it to such other amount (including nil) as they consider appropriate, or
 - (iv) if the amount determined appears to them to be insufficient, increase it to such amount not exceeding the permitted maximum as they consider appropriate.
- (3) Without prejudice to section 56 of this Act, an appeal from a decision of the Commissioners against the amount of a penalty which has been determined under section 100 above or this section shall lie, at the instance of the person liable to the penalty, to the High Court or, in Scotland, to the Court of Session as the Court of Exchequer in Scotland; and on that appeal the court shall have the like jurisdiction as is conferred on the Commissioners by virtue of this section.

100C Penalty proceedings before Commissioners.

- (1) An officer of the Board authorised by the Board for the purposes of this section may commence proceedings before the General or Special Commissioners for any penalty to which subsection (1) of section 100 above does not apply by virtue of subsection (2) of that section.
- (2) Proceedings under this section shall be by way of information in writing, made to the Commissioners, and upon summons issued by them to the defendant (or defender) to appear before them at a time and place stated in the summons; and they shall hear and decide each case in a summary way.
- (3) Any penalty determined by the Commissioners in proceedings under this section shall for all purposes be treated as if it were tax charged in an assessment and due and payable.
- (4) An appeal against the determination of a penalty in proceedings under this section shall lie to the High Court or, in Scotland, the Court of Session as the Court of Exchequer in Scotland—
 - (a) by any party on a question of law, and
 - (b) by the defendant (or, in Scotland, the defender) against the amount of the penalty.
- (5) On any such appeal the court may—

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- (a) if it appears that no penalty has been incurred, set the determination aside,
- (b) if the amount determined appears to be appropriate, confirm the determination,
- (c) if the amount determined appears to be excessive, reduce it to such other amount (including nil) as the court considers appropriate, or
- (d) if the amount determined appears to be insufficient, increase it to such amount not exceeding the permitted maximum as the court considers appropriate.

100D Penalty proceedings before court.

- (1) Where in the opinion of the Board the liability of any person for a penalty arises by reason of the fraud of that or any other person, proceedings for the penalty may be instituted before the High Court or, in Scotland, the Court of Session as the Court of Exchequer in Scotland.
- (2) Proceedings under this section which are not instituted (in England, Wales or Northern Ireland) under the Crown Proceedings Act 1947 by and in the name of the Board as an authorised department for the purposes of that Act shall be instituted—
 - (a) in England and Wales, in the name of the Attorney General,
 - (b) in Scotland, in the name of the Lord Advocate, and
 - (c) in Northern Ireland, in the name of the Attorney General for Northern Ireland.
- (3) Any proceedings under this section instituted in England and Wales shall be deemed to be civil proceedings by the Crown within the meaning of Part II of the Crown Proceedings Act 1947 and any such proceedings instituted in Northern Ireland shall be deemed to be civil proceedings within the meaning of that Part of that Act as for the time being in force in Northern Ireland.
- (4) If in proceedings under this section the court does not find that fraud is proved but considers that the person concerned is nevertheless liable to a penalty, the court may determine a penalty notwithstanding that, but for the opinion of the Board as to fraud, the penalty would not have been a matter for the court.”

Marginal Citations

M30 1970 c. 9.

168 Amendments consequential on section 167.

- (1) In consequence of the amendment made by section 167 above the ^{M31}Taxes Management Act 1970 shall be amended in accordance with subsections (2) to (8) below.
- (2) In section 20A (power to call for papers of tax accountant)—
 - (a) in subsection (1), for the words “awarded against him a penalty incurred by” there shall be substituted the words “a penalty imposed on”,

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- (b) in subsection (2), for the word “award” in the first place where it occurs there shall be substituted the word “penalty” and for that word in the second place where it occurs there shall be substituted the word “imposition”, and
- (c) in subsection (4), for the words “award against” there shall be substituted the words “imposition on” and for the word “award” there shall be substituted the word “penalty”.

^{F232}(3)

(4) In section 102 (mitigation of penalties), for the words “recovery thereof” there shall be substituted the words “a penalty”.

(5) In section 105 (evidence)—

(a) the following paragraph shall be substituted for paragraph (a) of subsection (1)

—
 “(a) pecuniary settlements may be accepted instead of a penalty being determined, or proceedings being instituted, in relation to any tax,”

(b) in paragraph (b) of subsection (2), for the words “sum” onwards there shall be substituted the words “tax due from him”, and

(c) after that paragraph there shall be inserted the words “and
 (c) any proceedings for a penalty or on appeal against the determination of a penalty.”

(6) In section 112 (loss of documents etc.), the following subsection shall be added at the end—

“(3) The references in subsection (1) above to assessments to tax include references to determinations of penalties; and in its application to such determinations the proviso to that subsection shall have effect with the appropriate modifications.”

(7) In section 113 (form of documents)—

(a) the following subsection shall be inserted after subsection (1C)—

“(1D) Where an officer of the Board has decided to impose a penalty under section 100 of this Act and has taken all other decisions needed for arriving at the amount of the penalty, he may entrust to any other officer of the Board responsibility for completing the determination procedure, whether by means involving the use of a computer or otherwise, including responsibility for serving notice of the determination on the person liable to the penalty.” and

(b) in subsection (3)—

(i) after the words “Every assessment,” there shall be inserted the words “determination of a penalty,”

(ii) after the words “notice of assessment” there shall be inserted the words “, of determination”, and

(iii) after the words “levying tax” there shall be inserted the words “or determining a penalty”.

[^{F233}(8) In paragraph 5 of Schedule 3 (rules for assigning proceedings to Commissioners), for the words “section 100(4)” there shall be substituted the words “section 100C or an appeal under section 100B against the determination of a penalty”.]

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- (9) In section 41 of the ^{M32}Development Land Tax Act 1976 (administration of development land tax) the following subsection shall be inserted after subsection (1)—

“(1A) Nothing in sections 167 to 169 of the Finance Act 1989 shall apply to penalties relating to development land tax.”

Textual Amendments

F232 S. 168(3) repealed (1.9.1994) by [S.I. 1994/1813](#), reg. 2(2), [Sch. 2 Pt. I](#)

F233 S. 168(8) repealed (29.4.1996 with effect as mentioned in [Sch. 22 para. 12](#) of the amending Act) by [1996 c. 8, s. 205](#), [Sch. 41 Pt. V\(12\)](#), note

Marginal Citations

M31 [1970 c. 9](#).

M32 [1976 c. 24](#).

169 Time limits.

- (1) The following section shall be substituted for section 103 of the ^{M33}Taxes Management Act 1970—

“103 Time limits for penalties.

- (1) Subject to subsection (2) below, where the amount of a penalty is to be ascertained by reference to tax payable by a person for any period, the penalty may be determined by an officer of the Board, or proceedings for the penalty may be commenced before the Commissioners or a court—
 - (a) at any time within six years after the date on which the penalty was incurred, or
 - (b) at any later time within three years after the final determination of the amount of tax by reference to which the amount of the penalty is to be ascertained.
 - (2) Where the tax was payable by a person who has died, and the determination would be made in relation to his personal representatives, subsection (1)(b) above does not apply if the tax was charged in an assessment made later than six years after the end of the chargeable period for which it was charged.
 - (3) A penalty under section 99 of this Act may be determined by an officer of the Board, or proceedings for such a penalty may be commenced before a court, at any time within twenty years after the date on which the penalty was incurred.
 - (4) A penalty to which neither subsection (1) nor subsection (3) above applies may be so determined, or proceedings for such a penalty may be commenced before the Commissioners or a court, at any time within six years after the date on which the penalty was incurred or began to be incurred.”
- (2) The amendment made by subsection (1) above shall not affect the application of section 103(4) of the ^{M34}Taxes Management Act 1970 to proceedings under section 100 of that Act as it has effect before the amendment made by section 167 above.

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Marginal Citations

M33 1970c. 9.

M34 1970 c. 9.

170 Up-rating of certain penalties.

[^{F234}(1) In section 23(8) of the Taxes Act 1988 (maximum penalty for agents failing to make certain payments on behalf of principals), for “£50” there shall be substituted “£300”.]

^{F235}(2)

^{F236}(3)

(4) In—

^{F237}(a)

^{F237}(b)

(c) section 658(5) of that Act (maximum penalty for false statements or representations relating to purchased life annuities),

for “£500” there shall be substituted “£3,000”.

(5) In paragraph 2(4) of Schedule 19A to that Act and Schedule 16A to the ^{M35}Finance Act 1973 (maximum penalty for incorrect return by Lloyd’s agent), for the words “£500 in the case of fraud and £250 in the case of negligence” there shall be substituted “£3,000”.

(6) This section shall apply in relation to things done or omitted on or after the day on which this Act is passed.

Textual Amendments

F234 S. 170(1) repealed (1.5.1995 with effect as mentioned in s. 39(4)(5) of the amending Act) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII(1)**, note

F235 S. 170(2) repealed (16.7.1992 with effect in accordance with s. 32 of the repealing Act) by **Finance (No. 2) Act 1992 (c. 48)**, ss. 32, 82, **Sch. 18 Pt. VII(4)**

F236 S. 170(3) repealed (6.4.2007) by **Income Tax Act 2007 (c. 3)**, s. 1034(1), **Sch. 3 Pt. 2** (with **Sch. 2**)

F237 S. 170(4)(a)(b) repealed (6.4.2006) by **Finance Act 2004 (c. 12)**, **Sch. 42 Pt. 3** (with **Sch. 36**)

Marginal Citations

M35 1973 c. 51.

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PART III

MISCELLANEOUS AND GENERAL

Inheritance tax

171 Gifts to housing associations.

- (1) The following section shall be inserted in the ^{M36}Inheritance Tax Act 1984 after section 24—

“24A Gifts to housing associations.

- (1) A transfer of value is exempt to the extent that the value transferred by it is attributable to land in the United Kingdom given to a registered housing association.
- (2) In subsection (1) above “registered housing association” means a registered housing association within the meaning of the Housing Associations Act 1985 or Part VII of the Housing (Northern Ireland) Order 1981.
- (3) Subsections (2) to (5) of section 23 and subsection (4) of section 24 above shall apply in relation to subsection (1) above as they apply in relation to section 24(1).”
- (2) In section 23(5) of the Inheritance Tax Act 1984 the words “or, where it is land, of a body mentioned in section 24A below” shall be added at the end.
- (3) In section 29(5) of that Act—
- (a) the words “or, where it is land, of a body mentioned in section 24A” shall be inserted at the end of paragraph (b), and
- (b) after “24(3) and (4),” there shall be inserted “24A(3),”.
- (4) In section 161(2)(b)(ii) of that Act after “24,” there shall be inserted “24A,”.
- (5) In section 102(5) of the ^{M37}Finance Act 1986 after paragraph (e) there shall be inserted—
- “(ee) section 24A (gifts to housing associations);”.
- (6) This section shall apply to transfers of value made on or after 14th March 1989.

Marginal Citations

M36 1984 c. 51.

M37 1986 c. 41.

172 Abatement of exemption where claim settled out of beneficiary’s own resources.

- (1) The following section shall be inserted after section 29 of the ^{M38}Inheritance Tax Act 1984—

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“29A Abatement of exemption where claim settled out of beneficiary’s own resources.

- (1) This section applies where—
- (a) apart from this section the transfer of value made on the death of any person is an exempt transfer to the extent that the value transferred by it is attributable to an exempt gift, and
 - (b) the exempt beneficiary, in settlement of the whole or part of any claim against the deceased’s estate, effects a disposition of property not derived from the transfer.
- (2) The provisions of this Act shall have effect in relation to the transfer as if—
- (a) so much of the relevant value as is equal to the following amount, namely the amount by which the value of the exempt beneficiary’s estate immediately after the disposition is less than it would be but for the disposition, or
 - (b) where that amount exceeds the relevant value, the whole of the relevant value,
- were attributable to such a gift to the exempt beneficiary as is mentioned in subsection (3) below (instead of being attributable to a gift with respect to which the transfer is exempt).
- (3) The gift referred to in subsection (2) above is a specific gift with respect to which the transfer is chargeable, being a gift which satisfies the conditions set out in paragraphs (a) and (b) of section 38(1) below.
- (4) In determining the value of the exempt beneficiary’s estate for the purposes of subsection (2) above—
- (a) no deduction shall be made in respect of the claim referred to in subsection (1)(b) above, and
 - (b) where the disposition referred to in that provision constitutes a transfer of value—
 - (i) no account shall be taken of any liability of the beneficiary for any tax on the value transferred, and
 - (ii) sections 104 and 116 below shall be disregarded.
- (5) Subsection (1)(b) above does not apply in relation to any claim against the deceased’s estate in respect of so much of any liability as is, in accordance with this Act, to be taken into account in determining the value of the estate.
- (6) In this section—
- “exempt gift”, in relation to a transfer of value falling within subsection (1)(a) above, means—
 - (a) a gift with respect to which the transfer is (apart from this section) exempt by virtue of the provisions of any of sections 18 and 23 to 28 above, or
 - (b) where (apart from this section) the transfer is so exempt with respect to a gift up to a limit, so much of the gift as is within that limit;
 - “the exempt beneficiary”, in relation to an exempt gift, means any of the following, namely—

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- (a) where the gift is exempt by virtue of section 18 above, the deceased's spouse,
 - (b) where the gift is exempt by virtue of section 23 above, any person or body—
 - (i) whose property the property falling within subsection (1) of that section becomes, or
 - (ii) by whom that property is held on trust for charitable purposes,
 - (c) where the gift is exempt by virtue of section 24, 25 or 26 above, any body whose property the property falling within subsection (1) of that section becomes,
 - (d) where the gift is exempt by virtue of section 24A above, any body to whom the land falling within subsection (1) of that section is given, and
 - (e) where the gift is exempt by virtue of section 27 or 28 above, the trustees of any settlement in which the property falling within subsection (1) of that section becomes comprised;
- “gift” and “specific gift” have the same meaning as in Chapter III of this Part; and
- “the relevant value”, in relation to a transfer of value falling within subsection (1)(a) above, means so much of the value transferred by the transfer as is attributable to the gift referred to in that provision.”
- (2) This section shall have effect in relation to deaths occurring on or after the day on which this Act is passed.

Marginal Citations

M38 1984c. 51.

Stamp duty etc.

[^{F238}173 Insurance: abolition of certain duties.

- (1) Stamp duty shall not be chargeable under—
 - (a) the heading “Policy of Life Insurance” in Schedule 1 to the ^{M39}Stamp Act 1891, or
 - (b) paragraph (3) of the heading “Bond, Covenant, or Instrument of any kind whatsoever” in that Schedule (superannuation annuities).
- (2) Subject to section 4 of the Stamp Act 1891 (separate charges on instruments containing or relating to several distinct matters) an instrument which, but for subsection (1) above, would be chargeable with stamp duty under paragraph (3) of the heading mentioned in paragraph (b) of that subsection shall not be chargeable with stamp duty under any other provision of the Stamp Act 1891.
- (3) Section 100 of the Stamp Act 1891 (penalty for not making out policy or making policy not duly stamped) shall cease to have effect.
- (4) Section 118 of the Stamp Act 1891 (assignment of life insurance policy to be stamped before payment of money assured) shall cease to have effect.

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- (5) Section 47(3) of the ^{M40}Finance Act 1966 (enhanced duty where policy not exceeding 2 years is varied so as to exceed 2 years) and section 5(3) of the ^{M41}Finance Act (Northern Ireland) 1966 (equivalent provision for Northern Ireland) shall cease to have effect.
- (6) Subsections (1) and (2) above apply to instruments made after 31st December 1989.
- (7) So far as it relates to section 100(1) of the 1891 Act, subsection (3) above applies where a person receives, or takes credit for, a premium or consideration for insurance after 30th November 1989.
- (8) So far as it relates to section 100(2) of the 1891 Act, subsection (3) above applies where the policy is made after 31st December 1989.
- (9) Subsection (4) above applies to instruments of assignment made after 31st December 1989.
- (10) Subsection (5) above applies where the policy is varied after 31st December 1989 (whenever it was made).]

Textual Amendments

F238 S. 173 repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. V(2) of the amending Act) by 1999 c. 16, s. 138, Sch. 20 Pt. V(2), notes 1, 2

Marginal Citations

M39 1891 c. 39.

M40 1966 c. 18.

M41 1966 c. 21 (N.I.).

174 Unit trusts.

F239

Textual Amendments

F239 S. 174 repealed (with effect as mentioned in Sch. 20 Pt. V(5) notes 1, 2 of the amending Act) by Finance Act 1999 (c. 16) s. 139, {Sch. 20 Pt. V(5)}

175 Stamp duty: stock exchange nominees

- (1) The Treasury may by regulations provide that where —
 - (a) circumstances would (apart from the regulations) give rise to a charge to stamp duty under [^{F240}Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale)] and to a charge to stamp duty reserve tax,
 - (b) the circumstances involve a stock exchange nominee, and
 - (c) the circumstances are such as are prescribed,the charge to stamp duty shall be treated as not arising.
- (2) The power to make regulations under this section shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.

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(3) In this section —

- (a) “prescribed” means prescribed by the regulations, and
- (b) “stock exchange nominee” means a person designated for the purposes of section 127 of the Finance Act 1976 as a nominee of The Stock Exchange by an order made by the Secretary of State under subsection (5) of that section.

Textual Amendments

F240 Words in [s. 175\(1\)\(a\)](#) substituted (with effect in accordance with [s. 112\(6\)](#) of the amending Act) by [Finance Act 1999 \(c. 16\)](#) ss. 112(4), 122, {Sch. 14 para. 23}

176 Stamp duty reserve tax: stock exchange nominees

(1) The Treasury may by regulations provide that where —

- (a) circumstances would (apart from the regulations) give rise to two charges to stamp duty reserve tax,
- (b) the circumstances involve a stock exchange nominee, and
- (c) the circumstances are such as are prescribed,

such one of the charges as may be prescribed shall be treated as not arising.

(2) The Treasury may by regulations provide that where —

- (a) circumstances would (apart from the regulations) give rise to a charge to stamp duty reserve tax and a charge to stamp duty,
- (b) the circumstances involve a stock exchange nominee, and
- (c) the circumstances are such as are prescribed,

the charge to stamp duty reserve tax shall be treated as not arising.

(3) The Treasury may by regulations provide that a provision of an Act by virtue of which there is no charge to stamp duty reserve tax shall also apply in circumstances which involve a stock exchange nominee and are such as are prescribed.

(4) The Treasury may by regulations provide that a provision of an Act by virtue of which the rate at which stamp duty reserve tax is charged is less than it would be apart from the provision shall also apply in circumstances which involve a stock exchange nominee and are such as are prescribed.

(5) The power to make regulations under this section shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons.

(6) In this section —

- (a) “prescribed” means prescribed by the regulations, and
- (b) “stock exchange nominee” means a person designated for the purposes of section 127 of the Finance Act 1976 as a nominee of The Stock Exchange by an order made by the Secretary of State under subsection (5) of that section.

177 Stamp duty reserve tax: information.

— Regulations under section 98(1) of the Finance Act 1986 (administration etc. of stamp duty reserve tax) may include —

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- (a) provision that notice which the regulations require to be given to the Commissioners of Inland Revenue shall be given in a manner or form specified by the Commissioners;
- (b) provision that information which the regulations require to be supplied to the Commissioners shall be supplied in a manner or form specified by the Commissioners.

Interest etc.

178 Setting of rates of interest.

- (1) The rate of interest applicable for the purposes of an enactment to which this section applies shall be the rate which for the purposes of that enactment is provided for by regulations made by the Treasury under this section.
- (2) This section applies to—
 - [^{F241}(aa) section 15A of the Stamp Act 1891;]
 - (a) section 8(9) of the ^{M42}Finance Act 1894,
 - (b) section 18 of the ^{M43}Finance Act 1896,
 - (c) section 61(5) of the ^{M44}Finance (1909-10) Act 1910,
 - (d) section 17(3) of the ^{M45}Law of Property Act 1925,
 - ^{F242}(e)
 - (f) [^{F243}sections ^{F244}... 86, 86A, 87, 87A, [^{F245}88], 103A] of the ^{M46}Taxes Management Act 1970,
 - (g) paragraph 3 of Schedule 16A to the ^{M47}Finance Act 1973,
 - [^{F246}(ga) section 48(1) of the Finance Act 1975,]
 - [^{F247}(gg) [^{F248}paragraph 6 of Schedule 1 to the Social Security Contributions and Benefits Act 1992],]
 - [^{F249}(gh) section 71(8A) of the ^{M48}Social Security Administration Act 1992, and section 69(8A) of the ^{M49}Social Security Administration (Northern Ireland) Act 1992, as they have effect in any case where the overpayment was made in respect of working families' tax credit or disabled person's tax credit;]
 - (h) paragraphs 15 and 16 of Schedule 2, and paragraph 8 of Schedule 5, to the ^{M50}Oil Taxation Act 1975,
 - [^{F250}(i) section 283 of the ^{M51}Taxation of Chargeable Gains Act 1992;]
 - (j) paragraph 59 of Schedule 8 to the ^{M52}Development Land Tax Act 1976,
 - (k) sections 233 [^{F251}, 235(1)] and 236(3) and (4) of the ^{M53}Inheritance Tax Act 1984,
 - (l) section 92 of the Finance Act 1986, and
 - (m) sections ^{F252}... ^{F253}... 824, 825 and 826 of, [^{F254}and paragraph 6B of Schedule 3 to] and paragraph 3 of Schedule 19A to, the ^{M54}Taxes Act 1988. [^{F255}and]
 - ^{F256}(n) [^{F257}and
 - (o) section 14(4) of the Ports Act 1991.]
 - [^{F258}(p) paragraph 8 of Schedule 4 to the Tax Credits Act 1999., ^{F259}...]
 - [^{F260}[^{F261}(q)] section 110 of the Finance Act 1999.]
 - [^{F262}(q) paragraph 8 of Schedule 1 to the Employment Act 2002.]
 - [^{F263}(r) paragraph 8 of Schedule I to the Employment (Northern Ireland) Order 2002.][^{F264}, and

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- (s) Chapter 7 of Part 3 of the Income Tax (Earnings and Pensions) Act 2003.]
 - [^{F265}(t) sections 87, 88 and 89 of the Finance Act 2003], ^{F266}...
 - ^{F267}(u) ^{F268}[^{F269} ...
 - (v) section 79 of FA 2015],
 - [^{F270}(w) sections 67 and 68 of the Finance Act 2020.]
- (3) Regulations under this section may—
- (a) make different provision for different enactments or for different purposes of the same enactment,
 - (b) either themselves specify a rate of interest for the purposes of an enactment or make provision for any such rate to be determined by reference to such rate or the average of such rates as may be referred to in the regulations,
 - (c) provide for rates to be reduced below, or increased above, what they otherwise would be by specified amounts or by reference to specified formulae,
 - (d) provide for rates arrived at by reference to averages to be rounded up or down,
 - (e) provide for circumstances in which alteration of a rate of interest is or is not to take place, and
 - (f) provide that [^{F271}rates or] alterations of rates are to have effect for periods beginning on or after a day determined in accordance with the regulations in relation to interest running from before that day as well as from or from after that day.
- (4) The power to make regulations under this section shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.

^{F272}(5)

^{F273}(6)

^{F274}(7)

Textual Amendments

- F241** S. 178(2)(aa) inserted (27.7.1999 with application to instruments executed on or after 1.10.1999) by 1999 c. 16, **ss. 109(2)(4)**, 123(4)
- F242** S. 178(2)(e) repealed (13.10.2003) by [Land Registration Act 2002](#) (c. 9), s. 136(2), **Sch. 13** (with s. 129, **Sch. 12** para. 1); S.I. 2003/1725, **art. 2**(1)
- F243** Words in s. 178(2)(f) substituted (1.9.1994 with effect as mentioned in s. 199 of the amending Act) by 1994 c. 9, s. 196, **Sch. 19 Pt. III para. 44**; S.I. 1998/3173, **art. 2**
- F244** Word in s. 178(2)(f) omitted (1.4.2011) by virtue of [The Finance Act 2009, Schedules 55 and 56 \(Income Tax Self Assessment and Pension Schemes\) \(Appointed Days and Consequential and Savings Provisions\) Order 2011](#) (S.I. 2011/702), arts. 1(1), **12** (with arts. 20, 22)
- F245** Words in s. 178(2)(f) repealed (29.4.1996 with effect as specified in **Sch. 18** para. 17 of the amending Act) by 1996 c. 8, ss. 132, 205, **Sch. 18** para. 13, **Sch. 41 Pt. V(8)**, note
- F246** S. 178(2)(ga) inserted (21.7.2009) by [Finance Act 2009](#) (c. 10), **s. 105(5)(a)**
- F247** S. 178(2)(gg) inserted (6.4.1992) (E.W.S.) by [Social Security Act 1990](#) (c. 27, SIF 113:1) s. 17(10); S.I. 1992/632, **art. 2**
- F248** Words in s. 178(2)(gg) substituted (1.7.1992) by [Social Security \(Consequential Provisions\) Act 1992](#) (c. 6), ss. 4, 7(2), **Sch. 2 para. 107**
- F249** S. 178(2)(gh) inserted (5.10.1999) by 1999 c. 10, ss. 2, 20(2), **Sch. 2 Pt. IV para. 10(2)**

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- F250** s. 178(2)(i) substituted (in relation to tax for the year 1992-1993 and subsequent years subject as mentioned in s. 289 of the substituting Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para. 19\(4\)](#) (with ss. 60, 101(1), 171, 201(3))
- F251** Word in s. 178(2)(k) inserted (21.7.2009) by [Finance Act 2009 \(c. 10\)](#), [s. 105\(5\)\(b\)](#)
- F252** Words in s. 178(2)(m) repealed (28.7.2000 with effect as mentioned in [s. 11\(6\)](#) of the amending Act) by [2000 c. 17](#), [s. 156](#), [Sch. 40 Pt. II\(17\)](#), Note 1
- F253** Words in s. 178(2)(m) repealed (with effect in accordance with [s. 723\(1\)\(a\)\(b\)](#) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [s. 723](#), [Sch. 6 para. 162\(a\)](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))
- F254** Words in s. 178(2)(m) repealed (29.4.1996 with effect as mentioned in [Sch. 7 paras. 32-35](#) of the amending Act) by [1996 c. 8](#), ss. 79(2), 205, [Sch. 7 para. 30](#), [Sch. 41 Pt. V\(2\)](#), note
- F255** “and” inserted by [Finance Act 1990 \(c. 29, SIF 58\)](#), [s. 118\(8\)](#)
- F256** S. 178(2)(n) repealed (1.5.1995) by [1995 c. 4](#), [s. 162](#), [Sch. 29 Pt. XII](#)
- F257** S. 178(2)(o) and word immediately proceeding it inserted (G.B.) by [Ports Act 1991 \(c. 52, SIF 58\)](#), [s. 14\(5\)](#).
- F258** It is provided that s. 178(2)(p) shall be inserted (5.10.1999) by [1999 c. 10](#), ss. 10(4), 20(2), [Sch. 4 para. 8\(1\)](#)
- F259** Word in s. 178(2)(p) repealed (with effect in accordance with [s. 723\(1\)\(a\)\(b\)](#) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [s. 723](#), [Sch. 6 para. 162\(b\)](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))
- F260** S. 178(2)(p) and word “and” preceding inserted (27.7.1999 with application in relation to instruments executed on or after 1.10.1999) by [1999 c. 16](#), ss. 110(9)(10), 123(4)
- F261** S. 178(2)(q) renumbered (with effect in accordance with [s. 723\(1\)\(a\)\(b\)](#) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [s. 723](#), [Sch. 6 para. 162\(c\)](#) (with [Sch. 7](#))
- F262** S. 178(2)(q) inserted (E.W.S.) (8.12.2002) by [2002 c. 22](#), ss. 11, 12, [Sch. 1 para. 8\(1\)\(2\)](#); S.I. 2002/2866, art. 2(2), [Sch. 1 Pt. 2](#)
- F263** S. 178(2)(r) inserted (8.12.2002) by S.I. 2002/2836 (N.I. 2), art. 13(6), [Sch. 1 para. 8\(1\)](#) (with art. 16); S.R. 2002/356, art. 2(2), [Sch. 1 Pt. II](#)
- F264** S. 178(2)(s) and preceding word inserted (with effect in accordance with [s. 723\(1\)\(a\)\(b\)](#) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [s. 723](#), [Sch. 6 para. 162\(d\)](#) (with [Sch. 7](#))
- F265** S. 178(2)(t) added (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 18 para. 4](#)
- F266** Word in s. 178(2) omitted (with effect in accordance with [s. 116\(1\)](#) of the amending Act) by virtue of [Finance Act 2015 \(c. 11\)](#), [s. 115\(4\)](#)
- F267** S. 178(2)(u) omitted (12.2.2019) by virtue of [Finance Act 2019 \(c. 1\)](#), [s. 88\(2\)\(a\)](#)
- F268** Word in s. 178(2)(u) omitted (22.7.2020) by virtue of [Finance Act 2020 \(c. 14\)](#), [Sch. 10 para. 2\(2\)](#)
- F269** S. 178(2)(v) and word inserted (with effect in accordance with [s. 116\(1\)](#) of the amending Act) by [Finance Act 2015 \(c. 11\)](#), [s. 115\(4\)](#)
- F270** S. 178(2)(w) inserted (22.7.2020) by [Finance Act 2020 \(c. 14\)](#), [Sch. 10 para. 2\(3\)](#)
- F271** Words in s. 178(3)(f) inserted (12.2.2019) by [Finance Act 2019 \(c. 1\)](#), [s. 88\(2\)\(b\)](#)
- F272** S. 178(5) omitted (21.7.2009) by virtue of [Finance Act 2009 \(c. 10\)](#), [s. 105\(6\)\(a\)](#)
- F273** S. 178(6) repealed (with effect in accordance with [s. 1184\(1\)](#) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F274** S. 178(7) omitted (12.2.2019) by virtue of [Finance Act 2019 \(c. 1\)](#), [s. 88\(2\)\(c\)](#)

Modifications etc. (not altering text)

- C19** S. 178 applied by [Ports Act 1991 \(c. 52, SIF 58\)](#), [s. 14\(4\)](#).
S. 178 applied (27.7.1993) by [1993 c. 34](#), [s. 173](#), [Sch. 19 Pt. II para. 11\(4\)](#)
S. 178 applied (1.9.1994 with effect as mentioned in [s. 199](#) of 1994 c. 9) by [1970 c. 9](#), [s. 59C](#) (as inserted by [1994 c. 9](#), [s. 194](#)); S.I. 1998/3173, art. 2
S. 178 applied (1.5.1995) by [1995 c. 4](#), [s. 157\(6\)](#)
S. 178 extended (1.5.1995) by [1995 c. 4](#), [s. 157\(6\)](#)
S. 178 applied (31.7.1997) by [1997 c. 58](#), [s. 3](#), [Sch. 2 para. 12\(4\)](#)

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- S. 178 applied (27.7.1999 with application to instruments executed on or after 1.10.1999) by [1891 c. 39, s. 15A\(3\)](#) (as substituted (27.7.1999 with application to instruments executed on or after 1.10.1999) by [1999 c. 16, s. 109\(1\)\(4\)](#))
- S. 178 applied (27.7.1999 with application in relation to instruments executed on or after 1.10.1999) by ss. 110(1)-(5)(10), 123(4)
- S. 178 applied (5.10.1999) by [1999 c. 10, ss. 10\(4\), 20\(2\), Sch. 4 para. 8\(2\)](#)
- S. 178 applied (1.4.2000) by [S.I. 2000/944, art. 25](#)
- S. 178 applied (1.4.2000) by [S.I. 2000/944, art. 41\(1\)](#)
- S. 178 applied (1.4.2000) by [S.I. 2000/944, art. 46\(1\)](#)
- S. 178 applied (1.3.2003) by [S.I. 2002/2172, reg. 8\(13\)](#)
- C20** S. 178 applied (6.4.2007) by [The Income Tax \(Construction Industry Scheme\) Regulations 2005 \(S.I. 2005/2045\), regs. 1, 15\(5\)](#) (with [reg. 60, Sch. 1](#))
- C21** S. 178 applied (6.4.2007) by [The Income Tax \(Construction Industry Scheme\) Regulations 2005 \(S.I. 2005/2045\), regs. 1, 14\(6\)](#) (with [reg. 60, Sch. 1](#))
- C22** S. 178 applied by [SR 2009/128, reg. 34](#) (as substituted (N.I.) (31.10.2011) by [The Education \(Student Loans\) \(Repayment\) \(Amendment\) Regulations \(Northern Ireland\) 2011 \(S.R. 2011/137\), regs. 1\(2\), 7\)](#)
- C23** S. 178 applied by [S.I. 2009/470 reg. 39\(2\)\(a\)\(5\)\(a\)](#) (as substituted (31.10.2011) by [The Education \(Student Loans\) \(Repayment\) \(Amendment\) Regulations 2011 \(S.I. 2011/784\), regs. 1\(2\), 8\)](#)
- C24** S. 178 applied (17.7.2014) by [Finance Act 2014 \(c. 26\), Sch. 35 para. 11\(1\)](#)
- C25** S. 178 applied (with effect in accordance with s. 116(1) of the amending Act) by [Finance Act 2015 \(c. 11\), s. 79\(1\)](#)
- C26** S. 178 applied by [2010 c. 4, s. 357YR\(3\)](#) (as inserted (with effect in accordance with s. 38(9)-(12) of the amending Act) by [Finance \(No. 2\) Act 2015 \(c. 33\), s. 38\(3\)](#))
- C27** For regulations see [S.I. 1989/1297](#) (in Part III Vol. 5). And see [Tables I and O Vol. 1](#)
- C28** Power of appointment conferred by s. 178(7) partly exercised: 18.8.1989 appointed by [S.I. 1989/1298](#) for all the enactments specified in s. 178(2) other than s. 87A of the 1970 Act and s. 826 of the 1988 Act

Marginal Citations

- M42** [1894 c. 30.](#)
- M43** [1896 c. 28.](#)
- M44** [1910 c. 8.](#)
- M45** [1925 c. 20.](#)
- M46** [1970 c. 9.](#)
- M47** [1973 c. 51.](#)
- M48** [1992 c.5.](#)
- M49** [1992 c.8.](#)
- M50** [1975 c. 22.](#)
- M51** [1992 c. 12.](#)
- M52** [1976 c. 24.](#)
- M53** [1984 c. 51.](#)
- M54** [1986 c. 41.](#)

179 Provisions consequential on section 178.

- (1) The words “rate applicable under section 178 of the Finance Act 1989” shall be substituted—
- (a) for the words from “rate” to “annum” in—
- (i) section 18(1) of the ^{M55} Finance Act 1896,
 - (ii) section 61(5) of the ^{M56} Finance (1909-10) Act 1910,
 - (iii) section 17(3) of the ^{M57} Law of Property Act 1925,

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- ^{F275}(iv)
- (v) paragraphs 15(1) and 16 of Schedule 2, and paragraph 8(4) of Schedule 5, to the ^{M58} Oil Taxation Act 1975,
- ^{F276}(vi)
- (vii) sections 824(1) and 825(2) of the Taxes Act 1988,
- (b) for the words “prescribed rate” in—
- (i) sections 86(1), 86A(1), 87(1), 87A(1) ^{F277}... [^{F278} and 88(1)] of the ^{M59} Taxes Management Act 1970,
- (ii) paragraph 3(4) of Schedule 16A to the ^{M60} Finance Act 1973, and
- (iii) paragraph 3(4) of Schedule 19A to the Taxes Act 1988,
- (c) for the words “rate which” onwards in—
- (i) paragraph 59(1) of Schedule 8 to the ^{M61} Development Land Tax Act 1976, and
- (ii) section 826(1) of the Taxes Act 1988,
- (d) for the words “rate applicable under subsection (2) below” in section 233(1) of the ^{M62} Inheritance Tax Act 1984,
- (e) for the words “rate for the time being applicable under section 233(2)(b) above” in subsection (3), and the words “rate for the time being applicable under section 233(2)(a) above” in subsection (4), of section 236 of that Act,
- (f) for the words “appropriate rate” in section 92(2) of the ^{M63} Finance Act 1986, and
- ^{F279}(g)
- (2) In section 8(9) of the ^{M64} Finance Act 1894, for the words from “such interest” to “per cent.” there shall be substituted the words “interest at such rate not exceeding that applicable under section 178 of the Finance Act 1989”.
- (3) In section 236(4) of the Inheritance Tax Act 1984, for the words “as if section 233(1)(b) above had applied” there shall be substituted the words “from the end of the period mentioned in section 233(1)(b) above”.
- (4) Any amendment made by subsection (1), (2) or (3) above shall have effect in relation to any period for which section 178(1) above has effect for the purposes of the enactment concerned.
- ^{F280}(5)

Textual Amendments

- F275** S. 179(1)(a)(iv) repealed (13.10.2003) by [Land Registration Act 2002 \(c. 9\)](#), s. 136(2), **Sch. 13** (with s. 129, **Sch. 12** para. 1); [S.I. 2003/1725](#), art. 2(1)
- F276** S. 179(1)(a)(vi) repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with ss. 201(3), **Sch. 11** paras. 22, 26(2), 27)
- F277** Words in s. 179(1)(b)(i) omitted (with effect in accordance with **Sch. 1** para. 73 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\)](#), **Sch. 1** para. 54(b)
- F278** Words in s. 179(1)(b)(i) repealed (29.4.1996 with effect in accordance with **Sch. 18** para. 17 of the amending Act) by [1996 c. 8](#), s. 205, **Sch. 41 Pt. V**
- F279** S. 179(1)(g) repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with **Sch. 7**)

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F280 S. 179(5) repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

Marginal Citations

M55 [1896 c. 28.](#)
M56 [1910 c. 8.](#)
M57 [1925 c. 20.](#)
M58 [1975 c. 22.](#)
M59 [1970c. 9.](#)
M60 [1973 c. 51.](#)
M61 [1976 c. 24.](#)
M62 [1984 c. 51.](#)
M63 [1986 c.41.](#)
M64 [1894 c. 30.](#)

180 Repayment interest: period of accrual.

- (1) In section 48(1) of the ^{M65} Finance Act 1975, after the words “carry interest” there shall be inserted the words “from the date on which the sums were paid until the order for repayment is issued”.
- (2) In—
 - (a) paragraph 16 of Schedule 2 to the ^{M66} Oil Taxation Act 1975,
 - (b) section 105(7) of the ^{M67} Finance Act 1980,
 - (c) paragraph 13(4) and (5) of Schedule 16 to the ^{M68} Finance Act 1981, and
 - (d) paragraph 10(4) of Schedule 19 to the ^{M69} Finance Act 1982,
 for the word “repayment” there shall be substituted the words “the order for repayment is issued”.
- (3) In paragraph 59(1) of Schedule 8 to the ^{M70} Development Land Tax Act 1976, after the word “later,” there shall be inserted the words “until the order for repayment is issued”.
- (4) In section 235(1) of the ^{M71} Inheritance Tax Act 1984 (and paragraph 19(3) of Schedule 4 to the ^{M72} Finance Act 1975), after the word “made” there shall be inserted the words “until the order for repayment is issued”.
- (5) In section 92(2) of the ^{M73} Finance Act 1986, for the words “the time it was paid” there shall be substituted the words “the date on which the payment was made until the order for repayment is issued”.
- (6) In section 826(1) of the Taxes Act 1988, for the words “that repayment or payment is made” there shall be substituted the words “the order for repayment or payment is issued”.
- (7) The amendments made by this section shall be deemed always to have had effect.

Marginal Citations

M65 [1975 c. 7.](#)
M66 [1975 c. 22.](#)
M67 [1980 c. 48.](#)
M68 [1981 c. 35.](#)
M69 [1982 c. 39.](#)

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M70 1976 c. 24.
M71 1984 c. 51.
M72 1975 c. 7.
M73 1986 c. 41.

Miscellaneous

[^{F281}181 Broadcasting: additional payments by programme contractors.

- (1) ^{M74}The Broadcasting Act 1981 shall have effect with respect to additional payments payable by programme contractors under that Act subject to the amendments made by Part I, and with the substitution, for Schedule 4 to that Act, of the provisions contained in Part II, of Schedule 16 to this Act.
- (2) The transitional provisions made by Part III of that Schedule shall have effect.
- (3) This section shall come into force on 1st January 1990.]

Textual Amendments

F281 S. 181, Sch. 16 repealed (prosp. as mentioned in S.I. 1990/2347, art. 3(3)) by Broadcasting Act 1990 (c. 42, SIF 96), ss. 127-129, 134, 203(3), 204(2), Schs. 9-12, Sch. 21

Marginal Citations

M74 1981 c. 68.

182 Disclosure of information.

- (1) A person who discloses any information which he holds or has held in the exercise of tax functions [^{F282}, tax credit functions] [^{F283}, child trust fund functions] [^{F284} or social security functions] is guilty of an offence if it is information about any matter relevant, for the purposes of [^{F285} any of those functions—
 - (a) to tax or duty in the case of any identifiable person,
 - [^{F286}(aa) to a tax credit in respect of any identifiable person,]
[to a child trust fund of any identifiable person,]
^{F287}(ab)
 - (b) to contributions payable by or in respect of any identifiable person, or
 - (c) to statutory sick pay [^{F288}, statutory maternity pay, [^{F289} statutory paternity pay,]
statutory adoption pay] [^{F290}, statutory shared parental pay or statutory parental bereavement pay] in respect of any identifiable person.]
 - (2) In this section “tax functions” means functions relating to tax or duty—
 - (a) of the Commissioners, the Board and their officers,
 - (b) of any person carrying out the administrative work of [^{F291} the First-tier Tribunal or Upper Tribunal], and
 - (c) of any other person providing, or employed in the provision of, services to any person mentioned in paragraph (a) or (b) above.
- [^{F292}(2ZA) In this section “tax credit functions” means the functions relating to tax credits—
 - (a) of the Board,

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- (b) of any person carrying out the administrative work of the [^{F293}the First-tier Tribunal or Upper Tribunal], and
- (c) of any other person providing, or employed in the provision of, services to the Board or to any person mentioned in paragraph (b) above.]

[^{F294}(2ZB) In this section “child trust fund functions” means the functions relating to child trust funds—

- (a) of the Board and their officers,
- (b) of any person carrying out the administrative work of the [^{F295}First-tier Tribunal or an appeal tribunal constituted under Chapter 1 of Part 2 of the Social Security (Northern Ireland) Order 1998], or
- (c) of any person providing, or employed in the provision of, services to the Board or any person mentioned in paragraph (b) above.]

[^{F296}(2A) In this section “social security functions” means—

- (a) the functions relating to contributions, [^{F297}child benefit, guardian’s allowance,] statutory sick pay [^{F298}, statutory maternity pay, [^{F299}statutory paternity pay,] statutory adoption pay][^{F300}, statutory shared parental pay or statutory parental bereavement pay]—
 - (i) of the Board and their officers,
 - (ii) of any person carrying out the administrative work of the [^{F301}the First-tier Tribunal or Upper Tribunal], and
 - (iii) of any other person providing, or employed in the provision of, services to any person mentioned in sub-paragraph (i) or (ii) above, and
- (b) the functions under Part III of the Pension Schemes Act 1993 or Part III of the Pension Schemes (Northern Ireland) Act 1993 of the Board and their officers and any other person providing, or employed in the provision of, services to the Board or their officers.]

^{F302}(3)

(4) A person who discloses any information which—

- (a) he holds or has held in the exercise of functions—
 - (i) of the Comptroller Auditor General [^{F303}, of the National Audit Office and any member or employee of that Office or of any member of the staff of the National Audit Office that was established by section 3 of the National Audit Act 1983], ^{F304} . . .
 - [^{F305}(ia) of the Comptroller and Auditor General for Northern Ireland and any member of the staff of the Northern Ireland Audit Office,]
 - (ii) of the Parliamentary Commissioner for Administration and his officers,
 - [^{F306}(iii) of the Auditor General for Wales and any member of his staff, ^{F307} . . .
 - [of the Wales Audit Office and any member or employee of that ^{F308}(iiiia) Office,]
 - [^{F309}(iv) of the Public Services Ombudsman for Wales and any member of his staff, or]]
 - (v) [^{F310}of the Scottish Public Services Ombudsman and any member of his staff,]

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- (b) is, or is derived from, information which was held by any person in the exercise of tax functions [F311, tax credit functions][F312, child trust fund functions][F313 or social security functions], and
- (c) is information about any matter relevant, for the purposes of [F314 tax functions [F315, tax credit functions][F316, child trust fund functions] or social security functions—
 - (i) to tax or duty in the case of any identifiable person,
 - [F317 (ia) to a tax credit in respect of any identifiable person,]
[to a child trust fund of any identifiable person,]
F318 (ib)
 - (ii) to contributions payable by or in respect of any identifiable person, or
 - (iii) to [F319 child benefit, guardian’s allowance,] statutory sick pay [F320, statutory maternity pay, [F321 statutory paternity pay,] statutory adoption pay][F322, statutory shared parental pay or statutory parental bereavement pay] in respect of any identifiable person]

is guilty of an offence.

- (5) Subsections (1) and (4) above do not apply to any disclosure of information—
 - (a) with lawful authority,
 - (b) with the consent of any person in whose case the information is about a matter relevant to tax or duty [F323, to a tax credit or to a child trust fund][F324 or to contributions, statutory sick pay [F325, statutory maternity pay, [F326 statutory paternity pay,] statutory adoption pay][F327, statutory shared parental pay or statutory parental bereavement pay], or
 - (c) which has been lawfully made available to the public before the disclosure is made.
- (6) For the purposes of this section a disclosure of any information is made with lawful authority if, and only if, it is made—
 - (a) by a Crown servant in accordance with his official duty,
 - (b) by any other person for the purposes of the function in the exercise of which he holds the information and without contravening any restriction duly imposed by the person responsible,
 - (c) to, or in accordance with an authorisation duly given by, the person responsible,
 - (d) in pursuance of any enactment or of any order of a court, or
 - (e) in connection with the institution of or otherwise for the purposes of any proceedings relating to any matter within the general responsibility of the Commissioners or, as the case requires, the Board,

and in this subsection “the person responsible” means the Commissioners, the Board, the Comptroller [F328 and Auditor General, the Comptroller and Auditor General for Northern Ireland][F329, the Parliamentary Commissioner, the Auditor General for Wales [F330, [F331 the Public Services Ombudsman for Wales] or the Scottish Public Services Ombudsman], as the case requires.
- (7) It is a defence for a person charged with an offence under this section to prove that at the time of the alleged offence—
 - (a) he believed that he had lawful authority to make the disclosure in question and had no reasonable cause to believe otherwise, or

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- (b) he believed that the information in question had been lawfully made available to the public before the disclosure was made and had no reasonable cause to believe otherwise.
- (8) A person guilty of an offence under this section is liable—
 - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine or both, and
 - (b) on summary conviction, to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum or both.
- (9) No prosecution for an offence under this section shall be instituted in England and Wales or in Northern Ireland except—
 - (a) by the Commissioners or the Board, as the case requires, or
 - (b) by or with the consent of the Director of Public Prosecutions or, in Northern Ireland, the Director of Public Prosecutions for Northern Ireland.
- (10) In this section—
 - “the Board” means the Commissioners of Inland Revenue,
 - [^{F332}“child trust fund” has the same meaning as in the Child Trust Funds Act 2004,]
 - “the Commissioners” means the Commissioners of Customs and Excise,
 - [^{F333}“contributions” means contributions under Part I of the Social Security Contributions and Benefits Act 1992 or Part I of the Social Security Contributions and Benefits (Northern Ireland) Act 1992;]
 - “Crown servant” has the same meaning as in the ^{M75} Official Secrets Act 1989,
 - [^{F334}“tax credit” means a tax credit under the Tax Credits Act 2002,] and
 - “tax or duty” means any tax or duty within the general responsibility of the Commissioners or the Board.
- [^{F335}(10A) In this section, in relation to the disclosure of information “identifiable person” means a person whose identity is specified in the disclosure or can be deduced from it.]
- (11) In this section—
 - ^{F336}(a)
 - ^{F336}(b)
 - (c) references to the Parliamentary Commissioner for Administration include the Health Service Commissioner for England^{F337} ..., ^{F338} ... the [^{F339}Assembly Ombudsman for Northern Ireland] and the Northern Ireland Commissioner for Complaints.
- [^{F340}(11A) In this section, references to [^{F341}statutory paternity pay,] statutory adoption pay [^{F342}, statutory shared parental pay or statutory parental bereavement pay] include statutory pay under Northern Ireland legislation corresponding to Part 12ZA [^{F343}, Part 12ZB [^{F344}, Part 12ZC or Part 12ZD]] of the Social Security Contributions and Benefits Act 1992 (c. 4).]
- (12) This section shall come into force on the repeal of section 2 of the ^{M76} Official Secrets Act 1911.

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Textual Amendments

- F282** Words in s. 182(1) inserted (1.8.2002 for specified purposes, 26.2.2003 for specified purposes, 1.4.2003 for specified purposes) by [Tax Credits Act 2002 \(c. 21\)](#), s. 61, [Sch. 5 para. 11\(2\)\(a\)](#); S.I. 2002/1727; [S.I. 2003/392](#), art. 2
- F283** Words in s. 182(1) inserted (1.1.2005) by [Child Trust Funds Act 2004 \(c. 6\)](#), [ss. 18\(2\)\(a\)](#), 27; S.I. 2004/2422, art. 2
- F284** Words in s. 182(1) inserted (1.4.1999) by 1999 c. 2, s. 6, [Sch. 6 para. 9\(2\)\(a\)](#); S.I. 1999/527, art. 2(b), [Sch. 2](#)
- F285** S. 182(1)(a)-(c) and words immediately preceding substituted for words in s. 182(1) (1.4.1999) by 1999 c. 2, s. 6, [Sch. 6 para. 9\(2\)\(b\)](#); S.I. 1999/527, art. 2(b), [Sch. 2](#)
- F286** S. 182(1)(aa) substituted (1.8.2002 for specified purposes, 26.2.2003 for specified purposes, 1.4.2003 for specified purposes) by [Tax Credits Act 2002 \(c. 21\)](#), s. 61, [Sch. 5 para. 11\(2\)\(b\)](#); S.I. 2002/1727; [S.I. 2003/392](#), art. 2
- F287** S. 182(1)(ab) inserted (1.1.2005) by [Child Trust Funds Act 2004 \(c. 6\)](#), [ss. 18\(2\)\(b\)](#), 27; S.I. 2004/2422, art. 2
- F288** Words in s. 128(1)(c) substituted (8.12.2002) by 2002 c. 22, s. 53, [Sch. 7 para. 1\(2\)\(a\)](#); S.I. 2002/2866, art. 2(2), [Sch. 1 Pt. 2](#)
- F289** Words in s. 182(1)(c) substituted (5.4.2015) by [Children and Families Act 2014 \(c. 6\)](#), s. 139(6), [Sch. 7 para. 5\(2\)\(a\)](#); S.I. 2014/1640, art. 7(c) (with arts. 16, 17)
- F290** Words in s. 182(1)(c) substituted (18.1.2020) by [Parental Bereavement \(Leave and Pay\) Act 2018 \(c. 24\)](#), s. 2(2), [Sch. para. 8\(2\)](#); S.I. 2020/45, reg. 2
- F291** Words in s. 182(2)(b) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 167\(a\)](#)
- F292** S. 182(2ZA) substituted for (1.8.2002 for specified purposes, 26.2.2003 for specified purposes, 1.4.2003 for specified purposes) by [Tax Credits Act 2002 \(c. 21\)](#), s. 61, [Sch. 5 para. 11\(3\)](#); S.I. 2002/1727; [S.I. 2003/392](#), art. 2
- F293** Words in s. 182(2ZA)(b) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 167\(b\)](#)
- F294** S. 182(2ZB) inserted (1.1.2005) by [Child Trust Funds Act 2004 \(c. 6\)](#), [ss. 18\(3\)](#), 27; S.I. 2004/2422, art. 2
- F295** Words in s. 182(2ZB)(b) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 167\(c\)](#)
- F296** S. 182(2A) inserted (1.4.1999) by 1999 c. 2, s. 6, [Sch. 6 para. 9\(3\)](#); S.I. 1999/527, art. 2(b), [Sch. 2](#)
- F297** Words in s. 182(2A) inserted (1.8.2002 for specified purposes, 26.2.2003 for specified purposes, 1.4.2003 for specified purposes) by [Tax Credits Act 2002 \(c. 21\)](#), s. 61, [Sch. 5 para. 11\(4\)](#); S.I. 2002/1727; [S.I. 2003/392](#), art. 2
- F298** Words in s. 182(2A)(a) substituted (8.12.2002) by 2002 c. 22, s. 53, [Sch. 7 para. 1\(2\)\(b\)](#); S.I. 2002/2866, art. 2(2), [Sch. 1 Pt. 2](#)
- F299** Words in s. 182(2A)(a) substituted (5.4.2015) by [Children and Families Act 2014 \(c. 6\)](#), s. 139(6), [Sch. 7 para. 5\(3\)\(a\)](#); S.I. 2014/1640, art. 7(c) (with arts. 16, 17)
- F300** Words in s. 182(2A)(a) substituted (18.1.2020) by [Parental Bereavement \(Leave and Pay\) Act 2018 \(c. 24\)](#), s. 2(2), [Sch. para. 8\(2\)](#); S.I. 2020/45, reg. 2
- F301** Words in s. 182(2A)(a)(ii) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 167\(d\)](#)
- F302** S. 182(3) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 167\(e\)](#)
- F303** Words in s. 182(4)(a)(i) substituted (1.4.2012) by [Budget Responsibility and National Audit Act 2011 \(c. 4\)](#), s. 29, [Sch. 5 para. 14\(2\)\(a\)](#); S.I. 2011/2576, art. 5
- F304** Word in s. 182(4)(a)(i) repealed (1.2.1999) by 1998 c. 38, s. 152, [Sch. 18 Pt. I](#) (with [ss. 137\(1\)](#), [139\(2\)](#), [141\(1\)](#), [143\(2\)](#)); S.I. 1999/118, art. 2

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- F305** S. 182(4)(a)(ia) inserted (1.4.2012) by Budget Responsibility and National Audit Act 2011 (c. 4), s. 29, **Sch. 5 para. 14(2)(b)**; S.I. 2011/2576, art. 5
- F306** S. 182(4)(a)(iii)(iv) inserted (1.2.1999) by 1998 c. 38, s. 125, **Sch. 12 para. 31(2)** (with ss. 137(1), 139(2), 141(1), 143(2)); S.I. 1999/118, art. 2
- F307** Word in s. 182(4)(a)(iii) omitted (14.7.2004) by virtue of Scottish Public Services Ombudsman Act 2002 (Consequential Provisions and Modifications) Order 2004 (S.I. 2004/1823), arts. 1, **10(a)**
- F308** S. 182(4)(a)(iia) inserted (E.W.) (1.4.2014) by Public Audit (Wales) Act 2013 (anaw 3), s. 35(2), **Sch. 4 para. 2** (with Sch. 3 para. 3); S.I. 2013/1466, art. 3(1)
- F309** S. 182(4)(a)(iv) substituted (1.4.2006) by Public Services Ombudsman (Wales) Act 2005 (c. 10), s. 40, **Sch. 6 para. 22(a)**; S.I. 2005/2800, art. 5(1)(3)
- F310** S. 182(4)(a)(v) and preceding word inserted (14.7.2004) by Scottish Public Services Ombudsman Act 2002 (Consequential Provisions and Modifications) Order 2004 (S.I. 2004/1823), arts. 1, **10(b)**
- F311** Words in s. 182(4)(b) inserted (1.8.2002 for specified purposes, 26.2.2003 for specified purposes, 1.4.2003 for specified purposes) by Tax Credits Act 2002 (c. 21), s. 61, **Sch. 5 para. 11(5)(a)**; S.I. 2002/1727; S.I. 2003/392, art. 2
- F312** Words in s. 182(4)(b) inserted (1.1.2005) by Child Trust Funds Act 2004 (c. 6), **ss. 18(4)(a)**, 27; S.I. 2004/2422, art. 2
- F313** Words in s. 182(4)(b) inserted (1.4.1999) by 1999 c. 2, s. 6, **Sch. 6 para. 9(4)(a)**; S.I. 1999/527, art. 2(b), **Sch. 2**
- F314** S. 182(4)(c)(i)-(iii) and words immediately preceding substituted for words in s. 182(4)(c) (1.4.1999) by 1999 c. 2, s. 6, **Sch. 6 para. 9(4)(b)**; S.I. 1999/527, art. 2(b), **Sch. 2**
- F315** Words in s. 182(4)(c) inserted (1.8.2002 for specified purposes, 26.2.2003 for specified purposes, 1.4.2003 for specified purposes) by Tax Credits Act 2002 (c. 21), s. 61, **Sch. 5 para. 11(5)(b)**; S.I. 2002/1727; S.I. 2003/392, art. 2
- F316** Words in s. 182(4)(c) inserted (1.1.2005) by Child Trust Funds Act 2004 (c. 6), **ss. 18(4)(a)**, 27; S.I. 2004/2422, art. 2
- F317** S. 182(4)(c)(ia) substituted (1.8.2002 for specified purposes, 26.2.2003 for specified purposes, 1.4.2003 for specified purposes) by Tax Credits Act 2002 (c. 21), s. 61, **Sch. 5 para. 11(5)(c)**; S.I. 2002/1727; S.I. 2003/392, art. 2
- F318** S. 182(4)(c)(ib) inserted (1.1.2005) by Child Trust Funds Act 2004 (c. 6), **ss. 18(4)(b)**, 27; S.I. 2004/2422, art. 2
- F319** Words in s. 182(4)(c)(iii) inserted (1.8.2002 for specified purposes, 26.2.2003 for specified purposes, 1.4.2003 for specified purposes) by Tax Credits Act 2002 (c. 21), s. 61, **Sch. 5 para. 11(5)(d)**; S.I. 2002/1727; S.I. 2003/392, art. 2
- F320** Words in s. 182(4)(c)(iii) substituted (8.12.2002) by 2002 c. 22, s. 53, **Sch. 7 para. 1(2)(c)**; S.I. 2002/2866, art. 2(2), **Sch. 1 Pt. 2**
- F321** Words in s. 182(4)(c)(iii) substituted (5.4.2015) by Children and Families Act 2014 (c. 6), s. 139(6), **Sch. 7 para. 5(4)(a)**; S.I. 2014/1640, art. 7(c) (with arts. 16, 17)
- F322** Words in s. 182(4)(c)(iii) substituted (18.1.2020) by Parental Bereavement (Leave and Pay) Act 2018 (c. 24), s. 2(2), **Sch. para. 8(2)**; S.I. 2020/45, reg. 2
- F323** Words in s. 182(5)(b) substituted (1.1.2005) by Child Trust Funds Act 2004 (c. 6), **ss. 18(5)**, 27; S.I. 2004/2422, art. 2
- F324** Words in s. 182(5)(b) inserted (1.4.1999) by 1999 c. 2, s. 6, **Sch. 6 para. 9(5)**; S.I. 1999/527, art. 2(b), **Sch. 2**
- F325** Words in s. 182(5)(b) substituted (8.12.2002) by 2002 c. 22, s. 53, **Sch. 7 para. 1(2)(d)**; S.I. 2002/2866, art. 2(2), **Sch. Pt. 2**
- F326** Words in s. 182(5)(b) substituted (5.4.2015) by Children and Families Act 2014 (c. 6), s. 139(6), **Sch. 7 para. 5(5)(a)**; S.I. 2014/1640, art. 7(c) (with arts. 16, 17)
- F327** Words in s. 182(5)(b) substituted (18.1.2020) by Parental Bereavement (Leave and Pay) Act 2018 (c. 24), s. 2(2), **Sch. para. 8(2)**; S.I. 2020/45, reg. 2
- F328** Words in s. 182(6) inserted (1.4.2012) by Budget Responsibility and National Audit Act 2011 (c. 4), s. 29, **Sch. 5 para. 14(3)**; S.I. 2011/2576, art. 5

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- F329** Words in s. 182(6)(e) substituted (1.2.1999) by 1998 c. 38, s. 125, **Sch. 12 para. 31(3)** (with ss. 137(1), 139(2), 141(1), 143(2)); S.I. 1999/118, **art. 2**
- F330** Words in s. 182(6) substituted (14.7.2004) by Scottish Public Services Ombudsman Act 2002 (Consequential Provisions and Modifications) Order 2004 (S.I. 2004/1823), arts. 1, **10(c)**
- F331** Words in s. 182(6) substituted (1.4.2006) by Public Services Ombudsman (Wales) Act 2005 (c. 10), s. 40, **Sch. 6 para. 22(b)**; S.I. 2005/2800, art. 5(1)(3)
- F332** Words in s. 182(10) inserted (1.1.2005) by Child Trust Funds Act 2004 (c. 6), **ss. 18(6)**, 27; S.I. 2004/2422, **art. 2**
- F333** S. 182(10): definition of “contributions” inserted (1.4.1999) by 1999 c. 2, s. 6, **Sch. 6 para. 9(6)**; S.I. 1999/527, art. 2(b), **Sch. 2**
- F334** Words in s. 182(10) inserted (1.8.2002 for specified purposes, 26.2.2003 for specified purposes, 1.4.2003 for specified purposes) by Tax Credits Act 2002 (c. 21), s. 61, **Sch. 5 para. 11(7)**; S.I. 2002/1727; S.I. 2003/392, **art. 2**
- F335** S. 182(10A) inserted (18.4.2005) by Commissioners for Revenue and Customs Act 2005 (c. 11), s. 53(1), **Sch. 4 para. 39**; S.I. 2005/1126, art. 2(2)(h)
- F336** S. 182(11)(a)(b) omitted (1.4.2012) by virtue of Budget Responsibility and National Audit Act 2011 (c. 4), s. 29, **Sch. 5 para. 14(4)**; S.I. 2011/2576, art. 5
- F337** Words in s. 182(11)(c) repealed (1.4.2006) by Public Services Ombudsman (Wales) Act 2005 (c. 10), s. 40, **Sch. 6 para. 22(c)**, **Sch. 7**; S.I. 2005/2800, art. 5(1)(3)
- F338** Words in s. 182(11)(c) omitted (14.7.2004) by virtue of Scottish Public Services Ombudsman Act 2002 (Consequential Provisions and Modifications) Order 2004 (S.I. 2004/1823), arts. 1, **10(d)**
- F339** Words in s. 182(11)(c) substituted (16.7.1996) by S.I. 1996/1298 (N.I. 8), art. 21(1), **Sch. 5**
- F340** S. 182(11A) inserted (8.12.2002) by 2002 c. 22, s. 53, **Sch. 7 para. 1(3)**; S.I. 2002/2866, art. 2(2), **Sch. 1 Pt. 2**
- F341** Words in s. 182(11A) substituted (15.3.2015 being the date on which 1992 c. 7, Pt. 12ZC comes into force by virtue of S.R. 2015/86, art. 3(1)(d)) by Children and Families Act 2014 (c. 6), s. 139(6), **Sch. 7 para. 5(6)(a)**; S.I. 2014/1640, art. 8(a) (with art. 18)
- F342** Words in s. 182(11A) substituted (18.1.2020) by Parental Bereavement (Leave and Pay) Act 2018 (c. 24), s. 2(2), **Sch. para. 8(3)(a)**; S.I. 2020/45, reg. 2
- F343** Words in s. 182(11A) substituted (15.3.2015 being the date on which 1992 c. 7, Pt. 12ZC comes into force by virtue of S.R. 2015/86, art. 3(1)(d)) by Children and Families Act 2014 (c. 6), s. 139(6), **Sch. 7 para. 5(6)(c)**; S.I. 2014/1640, art. 8(a) (with art. 18)
- F344** Words in s. 182(11A) substituted (18.1.2020) by Parental Bereavement (Leave and Pay) Act 2018 (c. 24), s. 2(2), **Sch. para. 8(3)(b)**; S.I. 2020/45, reg. 2

Modifications etc. (not altering text)

- C29** S. 182 restricted (6.4.1997) by 1995 c. 26, s. **109(5)** (with 121(5)); S.I. 1997/664, art. 2(3), **Sch. Pt. II**
S. 182 restricted (6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 107(2)** (with art. 118(5)(6)); S.R. 1997/192, **art. 2(b)**
- C30** S. 182 restricted (6.4.2005) by Pensions Act 2004 (c. 35), **ss. 202(2)**, 322(1) (with s. 313); S.I. 2005/275, art. 2(7), **Sch. Pt. 7**
- C31** S. 182 restricted (6.4.2005) by Pensions Act 2004 (c. 35), **ss. 88(2)**, **202(2)**, 322(1) (with s. 313); S.I. 2005/275, art. 2(7), **Sch. Pt. 7**
- C32** S. 182(2ZB) modified (temp.) (6.4.2005) by Child Trust Funds Act 2004 (c. 6), s. **24(1)(4)27**; S.I. 2004/3369, art. 2(1)
- C33** S. 182(2ZB) modified (temp.) (6.4.2005) by Child Trust Funds Act 2004 (c. 6), s. **24(1)(4)27**; S.I. 2004/3369, art. 2(1)

Marginal Citations

- M75** 1989c. 6.
M76 1911 c. 28.

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[182A ^{F345} Double taxation: disclosure of information.

- (1) A person who discloses any information acquired by him in the exercise of his functions as a member of an advisory commission set up under the Arbitration Convention is guilty of an offence.
- (2) Subsection (1) above does not apply to any disclosure of information—
 - (a) with the consent of the person who supplied the information to the commission, or
 - (b) which has been lawfully made available to the public before the disclosure is made.
- (3) It is a defence for a person charged with an offence under this section to prove that at the time of the alleged offence he believed that the information in question had been lawfully made available to the public before the disclosure was made and had no reasonable cause to believe otherwise.
- (4) A person guilty of an offence under this section is liable—
 - (a) on conviction on indictment, to imprisonment for a term not exceeding two years or a fine or both;
 - (b) on summary conviction, to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum or both.
- (5) No prosecution for an offence under this section shall be instituted in England and Wales or in Northern Ireland except—
 - (a) by the Board, or
 - (b) by or with the consent of the Director of Public Prosecutions or, in Northern Ireland, the Director of Public Prosecutions for Northern Ireland.
- (6) In this section—

“the Arbitration Convention” has the meaning given by [^{F346}section 126 of the Taxation (International and Other Provisions) Act 2010];

“the Board” means the Commissioners of Inland Revenue.]

Textual Amendments

F345 S. 182A inserted (16.7.1992) by [Finance \(No. 2\) Act 1992 \(c. 48\), s. 51\(3\)](#)

F346 Words in [s. 182A\(6\)](#) substituted (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), s. 381\(1\), Sch. 8 para. 39](#) (with [Sch. 9 paras. 1-9, 22](#))

183 Government securities: redemption and transfer.

- (1) In section 47 of the ^{M77} Finance Act 1942 (power to make regulations about transfer and registration of Government stock)—
 - (a) the following paragraph shall be inserted after paragraph (b) of subsection (1)

—

“(bb) for the redemption of such stock and bonds;” and
 - (b) the following subsection shall be inserted after that subsection—

“(1A) Regulations under subsection (1) of this section may make provision authorising the Bank of England, in such circumstances and

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subject to such conditions as may be prescribed in the regulations, to transfer stock and bonds standing in their books in the name of a deceased person into the name of another person without requiring the production of probate, confirmation or letters of administration.”

- (2) In section 3(1) of the ^{M78} National Debt Act 1972 (power to make regulations about stock on the National Savings Stock Register) the following paragraph shall be inserted after paragraph (b)—

“(bb) the redemption of stock registered in the register,”.

- (3) After section 14 of the ^{M79} National Loans Act 1968 there shall be inserted—

“14A Redemption of securities held in Issue Department of Bank of England.

- (1) Any securities of Her Majesty’s Government in the United Kingdom which are for the time being held in the Issue Department of the Bank of England may be redeemed by the Treasury before maturity at market prices determined in such manner as may be agreed between the Treasury and the Bank.
- (2) Any expenses incurred by the Treasury in connection with the redemption of securities under subsection (1) above shall be paid out of the National Loans Fund.”

Marginal Citations

M77 1942 c. 21.

M78 1972 c. 65.

M79 1968 c. 13.

184 National savings accounts.

- (1) In section 2 of the ^{M80} National Savings Bank Act 1971 (general power to make regulations) after subsection (1) there shall be inserted—

“(1A) Regulations under this section may restrict the classes of persons who may open accounts with the National Savings Bank, but any such restriction shall not apply to any account opened before the coming into force of the regulations imposing the restriction.”

- (2) In section 5 of that Act (interest on ordinary deposits) in subsection (1) for the words from the beginning to “in any ordinary deposit account” there shall be substituted “The Director of Savings may, with the consent of the Treasury, from time to time determine the rate or rates at which interest is to be payable on amounts deposited in ordinary accounts or that no interest is to be payable on such amounts, and any such determination in relation to amounts deposited in any ordinary deposit account may be made”.

- (3) After subsection (1) of section 5 of that Act there shall be inserted—

“(1A) The Director of Savings shall give notice in the London, Edinburgh and Belfast Gazettes of any determination under subsection (1) above; and any such determination may affect deposits received at or before, as well as after, the time the determination is made.”

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(4) Subsection (5) of section 5 of that Act (rate of interest on ordinary deposits to be not less than 2.5 per cent per annum) shall cease to have effect.

(5) Subsections (2) and (3) above shall come into force on 1st October 1989.

Marginal Citations

M80 1971 c. 29.

F347 185 Winding up of Redemption Annuities Account.

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Textual Amendments

F347 S. 185 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 6](#) Group 3

General

186 Interpretation etc.

- (1) In this Act “the Taxes Act 1970” means the ^{M81}Income and Corporation Taxes Act 1970 and “the Taxes Act 1988” means the ^{M82}Income and Corporation Taxes Act 1988.
- (2) Chapter II of Part I of this Act shall be construed as one with the ^{M83}Value Added Tax Act 1983.
- (3) Part II of this Act, so far as it relates to capital gains tax, shall be construed as one with the ^{M84}Capital Gains Tax Act 1979.

Marginal Citations

M81 1970 c. 10.

M82 1988 c. 1.

M83 1983 c. 55.

M84 1979 c. 14.

187 Repeals.

- (1) The enactments specified in Schedule 17 to this Act (which include unnecessary enactments) are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.
- (2) The repeal of the enactments specified in Part XIV of Schedule 17 shall come into force on such day as the Treasury may appoint by order made by statutory instrument; and different days may be appointed for different enactments.

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Modifications etc. (not altering text)

- C34** Power of appointment conferred by s. 187(2) partly exercised: 30.9.1989 appointed by [S.I. 1989/1788](#), [art. 2](#) for the repeal of the enactments specified in Part XIV of Schedule 17 other than section 27 in Part II of the [Tithe Act 1936 \(c. 43\)](#)

188 Short title.

This Act may be cited as the Finance Act 1989.

Changes to legislation:

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Changes and effects yet to be applied to :

- s. 182(1)(c) words substituted by [2023 c. 20 Sch. para. 8\(2\)](#)
- s. 182(2A)(a) words substituted by [2023 c. 20 Sch. para. 8\(2\)](#)
- s. 182(4)(c)(iii) words substituted by [2023 c. 20 Sch. para. 8\(2\)](#)
- s. 182(5)(b) words substituted by [2023 c. 20 Sch. para. 8\(2\)](#)
- s. 182(11A) words substituted by [2023 c. 20 Sch. para. 8\(3\)\(a\)](#)
- s. 182(11A) words substituted by [2023 c. 20 Sch. para. 8\(3\)\(b\)](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 178(2)(x) inserted by [2023 c. 30 Sch. 14 para. 68\(2\)](#)
- s. 178(2)(y) inserted by [2023 c. 30 Sch. 18 para. 7\(2\)](#)