



Finance Act 1998

1998 CHAPTER 36

PART VI

MISCELLANEOUS AND SUPPLEMENTAL

Fiscal stability

^{F1}155 Code for fiscal stability.

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Textual Amendments

F1 Ss. 155-157 repealed (23.3.2011) by [Budget Responsibility and National Audit Act 2011 \(c. 4\)](#), **ss. 10(b)**, 29; S.I. 2011/892, art. 2, Sch. 1

^{F1}156 Annual Budget documents.

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Textual Amendments

F1 Ss. 155-157 repealed (23.3.2011) by [Budget Responsibility and National Audit Act 2011 \(c. 4\)](#), **ss. 10(b)**, 29; S.I. 2011/892, art. 2, Sch. 1

^{F1}157 Supplementary powers of the Comptroller and Auditor General.

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Changes to legislation: There are currently no known outstanding effects for the Finance Act 1998, Part VI. (See end of Document for details)

Textual Amendments

- F1** Ss. 155-157 repealed (23.3.2011) by [Budget Responsibility and National Audit Act 2011 \(c. 4\)](#), **ss. 10(b)**, 29; S.I. 2011/892, art. 2, Sch. 1

Government borrowing

158 Treasury’s position regarding their own securities.

- (1) This section applies to securities issued by or on behalf of the Treasury, here referred to as Treasury securities.
- (2) Any powers which relate to Treasury securities and which are conferred on the Treasury in a capacity other than issuer may be exercised by them, and no rule of law preventing a person contracting with himself shall prevent them exercising the powers.
- (3) The powers referred to in subsection (2) above include powers to acquire, hold and transfer securities and to make agreements with regard to them.
- (4) If Treasury securities are acquired under powers conferred on the Treasury, until they are transferred or redeemed they shall be treated as held by the persons for the time being constituting the Treasury.

159 Treasury bills.

- (1) In section 8 of the ^{M1}Treasury Bills Act 1877 (mode of issue of Treasury bills) the following shall be substituted for paragraph (1)—
 - “(1) Treasury bills shall be issued by the Treasury (either directly or through such agent as the Treasury think fit).”
- (2) This section shall apply in relation to issues made on or after such day as the Treasury may appoint by order made by statutory instrument.

Subordinate Legislation Made

- P1** [S. 159\(2\)](#) power fully exercised (25.10.1999): 15.11.1999 appointed by [S.I. 1999/2908](#), **arts. 1(2)**, 2(1)

Marginal Citations

- M1** [1877 c. 2](#).

160 National loans.

Schedule 26 to this Act (national loans) shall have effect.

161 Non-FOTRA securities.

- (1) Subject to the following provisions of this section, any gilt-edged security issued before 6th April 1998 without FOTRA conditions shall be treated in relation to times on or after that date as if—
 - (a) it were a security issued with the post-1996 Act conditions; and

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- (b) those conditions had been authorised in relation to the issue of that security by virtue of section 22 of the ^{M2}Finance (No. 2) Act 1931.
- (2) Where a gilt-edged security falls to be treated as mentioned in subsection (1) above that treatment shall have effect—
 - (a) for the purposes of [^{F2}Chapter 2 of Part 12 of the Income Tax Act 2007 (accrued income profits) in relation only to accrued income profits which a person is treated as making under section 628(5) or 630(2) of that Act] on or after 6th April 1998;
 - (b) for the other purposes of the Tax Acts, in relation only to payments of interest falling due on or after that date; and
 - (c) for the purposes of the ^{M3}Inheritance Tax Act 1984, in relation only to a determination of whether property is excluded property at a time falling on or after that date.
- (3) No charge to tax shall be treated as arising under section 65 of the ^{M4}Inheritance Tax Act 1984 (property becoming excluded property) by reason only of the coming into force of this section.
- (4) In this section “FOTRA conditions” means any such conditions about exemption from taxation as are authorised in relation to the issue of a gilt-edged security by virtue of section 22 of the ^{M5}Finance (No. 2) Act 1931.
- (5) In this section “the post-1996 Act conditions” means the FOTRA conditions with which 7.25% Treasury Stock 2007 was first issued by virtue of section 22 of the ^{M6}Finance (No. 2) Act 1931.
- (6) In this section “gilt-edged securities” means any securities which are gilt-edged securities for the purposes of the ^{M7}Taxation of Chargeable Gains Act 1992.
- (7) This section does not apply to any 3½% War Loan 1952 Or After which was issued with a condition authorised by virtue of section 47 of the ^{M8}Finance (No. 2) Act 1915.

Textual Amendments

- F2** Words in s. 161(2)(a) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 384](#) (with [Sch. 2](#))

Marginal Citations

- M2** [1931 c. 49](#).
M3 [1984 c. 51](#).
M4 [1984 c. 51](#).
M5 [1931 c. 49](#).
M6 [1931 c. 49](#).
M7 [1992 c. 12](#).
M8 [1915 c. 89](#).

162 Accounting statements relating to National Savings.

- (1) Subject to subsection (2) below, in each of the following provisions (which provide for annual statements of account as respects years ending with 31st December to be prepared in relation to deposits with the National Savings Bank), that is to say—
 - ^{F3}(a)

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(b) section 120(4) of the ^{M9}Finance Act 1980 (investment deposits), for “31st December” there shall be substituted “ 31st March ”.

^{F4}(2)

(3) In section 19(2) of the ^{M10}National Savings Bank Act 1971 (delivery of statement under section 19(1) to the Comptroller and Auditor General), for the words from “before the end of May” to “that year” there shall be substituted “ before the end of August next following the end of any period for which a statement falls to be prepared under subsection (1) above, transmit the statement for that period ”.

(4) In section 20 of that Act (adjustment of balances)—

- (a) for “year ending with 31st December” there shall be substituted “ period as respects which a statement falls to be prepared under section 19(1) of this Act ”;
- (b) for the words “the year”, in each place where they occur, there shall be substituted “ that period ”; and
- (c) for “any such year” there shall be substituted “ any such period ”.

^{F5}(5)

Textual Amendments

- F3** S. 162(1)(a) repealed (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 5\(4\)](#)
F4 S. 162(2) repealed (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 5\(4\)](#)
F5 S. 162(5) repealed (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [Sch. 43 Pt. 5\(4\)](#)

Marginal Citations

- M9** 1980 c. 48.
M10 1971 c. 29.

The European single currency

163 Adoption of single currency by other member States.

(1) The Treasury may, to such extent as appears to them appropriate in connection with any of the matters falling within subsection (2) below, by regulations modify the application and effect as respects—

- (a) transactions in a currency other than sterling,
- (b) instruments denominated in such a currency, and
- (c) the bringing into account of amounts expressed in, or by reference to, such a currency,

of any enactment or subordinate legislation relating to [^{F6}any matter for which the Commissioners for Her Majesty’s Revenue and Customs are responsible and to which section 7 of the Commissioners for Revenue and Customs Act 2005 (former Inland Revenue matters) applies.]

(2) The matters falling within this subsection are—

- (a) the adoption or proposed adoption by other member States of the single currency; and

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- (b) any transitional measures or other arrangements applying or likely to apply in relation to the adoption of the single currency by other member States.
- (3) Without prejudice to the generality of subsection (1) above, the power conferred by that subsection includes power by regulations to provide—
- (a) for liabilities to pay amounts to the Commissioners of Inland Revenue under any enactment or subordinate legislation relating to taxation to be capable of being discharged, in accordance with the regulations, by payments in the single currency;
- ^{F7}(b)
- ^{F7}(c)
- (4) The power to make regulations under this section includes—
- (a) power to impose charges to taxation;
- (b) power to amend or repeal any enactment; and
- (c) power to make such incidental, supplemental, consequential and transitional provision as appears to the Treasury to be appropriate.
- (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—
- “enactment” includes any enactment contained in this Act (other than this section) and any enactment passed after this Act;
- “other member State” means a member State other than the United Kingdom;
- “subordinate legislation” has the same meaning as in the ^{M11}Interpretation Act 1978.
- (7) References in this section to the adoption of the single currency are references to the adoption of the single currency in accordance with the Treaty establishing the European Community, and the reference in subsection (3)(a) above to that currency shall be construed accordingly.

Textual Amendments

F6 Words in s. 163(1) substituted (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), s. 53(1), [Sch. 2 para. 10](#); S.I. 2005/1126, art. 2(2)(d)

F7 S. 163(3)(b)(c) repealed (24.7.2002 with effect as mentioned in Sch. 40 Pt. 3(11) Note of the amending Act) by [2002 c. 23](#), s. 141, [Sch. 40 Pt. 3\(11\)](#) Note

Marginal Citations

M11 [1978 c. 30](#).

Supplemental

164 Interpretation.

In this Act “the Taxes Act 1988” means the ^{M12}Income and Corporation Taxes Act 1988.

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Marginal Citations

M12 1988 c. 1.

165 Repeals.

- (1) The enactments mentioned in Schedule 27 to this Act (which include spent provisions) are hereby repealed to the extent specified in the third column of that Schedule.
- (2) The repeals specified in that Schedule have effect subject to the commencement provisions and savings contained or referred to in the notes set out in that Schedule.

166 Short title.

This Act may be cited as the Finance Act 1998.

Changes to legislation:

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