



Finance Act 2003

CHAPTER 14

FINANCE ACT 2003

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- 1 In Part 3 of the Value Added Tax Act 1994...
- 2 After Schedule 10 to that Act insert— SCHEDULE 10A Face-value...
- 3 In Schedule 6 to the Value Added Tax Act 1994...
- 4 The amendments made by this Schedule apply to supplies of...

SCHEDULE 2 — Supply of electronic services in member States: VAT special accounting scheme

Introductory

- 1 The Value Added Tax Act 1994 (c. 23) is amended...

Insertion of new section 3A

- 2 After section 3 insert— Supply of electronic services in member...

Persons registered under Schedule 1

- 3 In Schedule 1 (registration in respect of taxable supplies) in...

The special accounting scheme

- 4 After Schedule 3A insert— SCHEDULE 3B Supply of electronic services...

SCHEDULE 3 — Stamp duty land tax: transactions exempt from charge

No chargeable consideration

- 1 A land transaction is exempt from charge if there is...

Grant of certain leases by registered social landlords

- 2 (1) The grant of a lease of a dwelling is...

Transactions in connection with divorce etc

- 3 A transaction between one party to a marriage and the...

Assents and appropriations by personal representatives

- 3A (1) The acquisition of property by a person in or...

Transactions in connection with dissolution of civil partnership etc

- 3A A transaction between one party to a civil partnership and...

Variation of testamentary dispositions etc

- 4 (1) A transaction following a person's death that varies a...

Power to add further exemptions

- 5 (1) The Treasury may by regulations provide that any description...

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SCHEDULE 4 — Stamp duty land tax: chargeable consideration

Money or money's worth

- 1 (1) The chargeable consideration for a transaction is, except as...

Value added tax

- 2 The chargeable consideration for a transaction shall be taken to...

Postponed consideration

- 3 The amount or value of the chargeable consideration for a...

Just and reasonable apportionment

- 4 (1) For the purposes of this Part consideration attributable—

Exchanges

- 5 (1) This paragraph applies to determine the chargeable consideration where...

Partition etc: disregard of existing interest

- 6 In the case of a land transaction giving effect to...

Valuation of non-monetary consideration

- 7 Except as otherwise expressly provided, the value of any chargeable...

Debt as consideration

- 8 (1) Where the chargeable consideration for a land transaction consists...

Cases where conditions for exemption not fully met

- 8A (1) Where a land transaction would be exempt from charge...

Conversion of amounts in foreign currency

- 9 (1) References in this Part to the amount or value...

Carrying out of works

- 10 (1) Where the whole or part of the consideration for...

Provision of services

- 11 (1) Where the whole or part of the consideration for...

Land transaction entered into by reason of employment

- 12 (1) Where a land transaction is entered into by reason...

Obligations under lease

- 13 (1) In the case of the grant of a lease...

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Surrender of existing lease in return for new lease

14 (1) This paragraph applies where a lease is granted in...

Reverse premium

15 (1) In the case of the grant, assignment or surrender...

Indemnity given by purchaser

- 16 Where the purchaser agrees to indemnify the vendor in respect...
- 16A Purchaser bearing inheritance tax liability
- 16B Purchaser bearing capital gains tax liability
- 16C Costs of enfranchisement

Arrangements involving public or educational bodies

17 (1) This paragraph applies in any case where arrangements are...

SCHEDULE 5 — Stamp duty land tax: amount of tax chargeable: rent

Introduction

1 This Schedule provides for calculating the tax chargeable—

Amounts payable in respect of periods before grant of lease

1A For the purposes of this Part “rent” does...

Calculation of tax chargeable in respect of rent

2 (1) Tax is chargeable under this Schedule in respect of...

Net present value of rent payable over term of lease

3 The net present value (v) of the rent payable over...

Rent payable

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Effect of provision for rent review

5

Term of lease

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Treatment of lease for indefinite term

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Temporal discount rate

8 (1) For the purposes of this Schedule the “temporal discount...”

Tax chargeable in respect of consideration other than rent : general

9 (1) Where in the case of a transaction to which...

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Tax chargeable in respect of consideration other than rent: 0% band

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Continuation of regulations made for purposes of stamp duty

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Part 2 — LAND WHOLLY SITUATED IN A DISADVANTAGED AREA

Introduction

3 This Part of this Schedule applies to a land transaction...

Land all non-residential

4 If all the land is non-residential property, the transaction is...

Land all residential

5 (1) This paragraph applies where all the land is residential...

Land partly non-residential and partly residential

6 (1) This paragraph applies, where the land is partly non-residential...
Part 3 — LAND PARTLY SITUATED IN A DISADVANTAGED AREA

Introduction

7 (1) This Part of this Schedule applies to a land...

Land all non-residential

8 If all of the land situated in a disadvantaged area...

Land all residential

9 (1) This paragraph applies where all the land situated in...

Land partly non-residential and partly residential

10 (1) This paragraph applies, where the land situated in a...
Part 4 — SUPPLEMENTARY

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Relevant consideration and relevant rental value

- 11 (1) References in this Schedule to the “relevant consideration” in...

Rent and annual rent

- 12 For the purposes of this Schedule “rent” has the same...

Notification of transactions

- 13 For the purposes of sections 77 and 77A (which specify...

SCHEDULE 6A — Relief for certain acquisitions of residential property

- 1 Acquisition by house-building company from individual acquiring new dwelling
- 2 Acquisition by property trader from individual acquiring new dwelling
- 3 Acquisition by property trader from personal representatives
- 4 Acquisition by property trader from individual where chain of transactions breaks down
- 5 Acquisition by employer in case of relocation of employment
- 6 Acquisition by property trader in case of relocation of employment
- 7 Meaning of “dwelling”, “new dwelling” and “the permitted area”
- 8 Meaning of “property trader” and “principal”
- 9 Meaning of “refurbishment” and “the permitted amount”
- 10 Connected companies etc
- 11 Withdrawal of relief under this Schedule

SCHEDULE 7 — Stamp duty land tax: group relief and reconstruction and acquisition reliefs

Part 1 — GROUP RELIEF

Group relief

- 1 (1) A transaction is exempt from charge if the vendor...

Restrictions on availability of group relief

- 2 (1) Group relief is not available if at the effective...

Withdrawal of group relief

- 3 (1) Where in the case of a transaction (“the relevant...

Cases in which group relief not withdrawn

- 4 (1) Group relief is not withdrawn under paragraph 3 in...

Group relief not withdrawn where vendor leaves group

- 4ZA (1) Group relief is not withdrawn under paragraph 3 where...

Withdrawal of group relief in certain cases involving successive transactions

- 4A (1) Where, in the case of a transaction (“ the...

Recovery of group relief from another group company or controlling director

- 5 (1) This paragraph applies where— (a) tax is chargeable under...

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Recovery of group relief: supplementary

- 6 (1) The Inland Revenue may serve a notice on a...
Part 2 — RECONSTRUCTION AND ACQUISITION RELIEFS

Reconstruction relief

- 7 (1) Where— (a) a company (“the acquiring company”) acquires the...

Acquisition relief

- 8 (1) Where— (a) a company (“the acquiring company”) acquires the...

Withdrawal of reconstruction or acquisition relief

- 9 (1) Where in the case of a transaction (“the relevant...

Cases in which reconstruction or acquisition relief not withdrawn

- 10 (1) Reconstruction or acquisition relief is not withdrawn under paragraph...

Withdrawal of reconstruction or acquisition relief on subsequent non-exempt transfer

- 11 (1) Where paragraph 10(4) (change of control of acquiring company...

*Recovery of reconstruction or acquisition relief
from another group company or controlling director*

- 12 (1) This paragraph applies where— (a) tax is chargeable under...

Recovery of reconstruction or acquisition relief: supplementary

- 13 (1) The Inland Revenue may serve a notice on a...

SCHEDULE 8 — Stamp duty land tax: charities relief

Charities relief

- 1 (1) A land transaction is exempt from charge if the...

Withdrawal of charities relief

- 2 (1) Where in the case of a transaction (“the relevant...

Cases where first condition not fully met

- 3 (1) This paragraph applies where— (a) a land transaction is...

Charitable trusts

- 4 (1) This Schedule applies in relation to a charitable trust...

SCHEDULE 9 — Stamp duty land tax: right to buy, shared ownership leases etc

Right to buy transactions

- 1 (1) In the case of a right to buy transaction—...

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Shared ownership lease: election for market value treatment

- 2 (1) This paragraph applies where— (a) a lease is granted—...

*Transfer of reversion under shared ownership lease
where election made for market value treatment*

- 3 The transfer of the reversion to the lessee or lessees...

Shared ownership lease: election where staircasing allowed

- 4 (1) This paragraph applies where— (a) a lease is granted...

Shared ownership lease: treatment of staircasing transaction

- 4A (1) This paragraph applies where under a shared ownership lease—...

Shared ownership lease: grant not linked with staircasing transactions etc

- 4B (1) For the purpose of determining the rate of tax...

Shared ownership leases: meaning of “qualifying body” and “preserved right to buy”

- 5 (1) This paragraph has effect for the purposes of paragraphs...

Rent to mortgage or rent to loan: chargeable consideration

- 6 (1) The chargeable consideration for a rent to mortgage or...

7 Shared ownership trust: introduction

8 Shared ownership trust: “purchaser”

9 Shared ownership trust: election for market value treatment

10 Shared ownership trust: treatment of staircasing transaction

11 Shared ownership trust: treatment of additional payments where no election made

12 Shared ownership trust: declaration not linked with staircasing transactions etc

SCHEDULE 10 — Stamp duty land tax: returns, enquiries, assessments and appeals
Part 1 — LAND TRANSACTION RETURNS

Contents of return

- 1 (1) A land transaction return must— (a) be in the...

Declaration by agent

- 1A (1) Where — (a) the purchaser (or each of them)...

Declaration by the relevant Official Solicitor

- 1B (1) Where — (a) the purchaser (or any of them)...

Meaning of filing date and delivery of return

- 2 (1) References in this Part of this Act to the...

Failure to deliver return: flat-rate penalty

- 3 (1) A person who is required to deliver a land...

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Failure to deliver return: tax-related penalty

- 4 (1) A purchaser who is required to deliver a land...

Formal notice to deliver return: daily penalty

- 5 (1) If it appears to the Inland Revenue—

Amendment of return by purchaser

- 6 (1) The purchaser may amend a land transaction return given...

Correction of return by Revenue

- 7 (1) The Inland Revenue may amend a land transaction return...

Penalty for incorrect or uncorrected return

- 8 (1) A purchaser who— (a) fraudulently or negligently delivers in...
Part 2 — DUTY TO KEEP AND PRESERVE RECORDS

Duty to keep and preserve records

- 9 (1) A purchaser who is required to deliver a land...

Preservation of information instead of original records

- 10 (1) The duty under paragraph 9 to preserve records may...

Penalty for failure to keep and preserve records

- 11 (1) A person who fails to comply with paragraph 9...
Part 3 — ENQUIRY INTO RETURN

Notice of enquiry

- 12 (1) The Inland Revenue may enquire into a land transaction...

Scope of enquiry

- 13 (1) An enquiry extends to anything contained in the return,...

Notice to produce documents etc for purposes of enquiry

- 14 (1) If the Inland Revenue give notice of enquiry into...

Appeal against notice to produce documents etc

- 15 (1) An appeal may be brought against a requirement imposed...

Penalty for failure to produce documents etc

- 16 (1) A person who fails to comply with a notice...

Amendment of self-assessment during enquiry to prevent loss of tax

- 17 (1) If at a time when an enquiry is in...

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Amendment of return by taxpayer during enquiry

- 18 (1) This paragraph applies if a return is amended under...

Referral of questions to the tribunal during enquiry

- 19 (1) At any time when an enquiry is in progress...

Withdrawal of notice of referral

- 20 (1) The Inland Revenue or the purchaser may withdraw a...

Effect of referral on enquiry

- 21 (1) While proceedings on a referral under paragraph 19 are...

Effect of determination

- 22 (1) The determination of a question referred to the tribunal...

Completion of enquiry

- 23 (1) An enquiry under paragraph 12 is completed when the...

Direction to complete enquiry

- 24 (1) The purchaser may apply to the tribunal for a...
Part 4 — REVENUE DETERMINATION IF NO RETURN DELIVERED

Determination of tax chargeable if no return delivered

- 25 (1) If in the case of a chargeable transaction no...

Determination to have effect as a self-assessment

- 26 (1) A Revenue determination has effect for enforcement purposes as...

Determination superseded by actual self-assessment

- 27 (1) If after a Revenue determination has been made the...
Part 5 — REVENUE ASSESSMENTS

Assessment where loss of tax discovered

- 28 (1) If the Inland Revenue discover as regards a chargeable...

Assessment to recover excessive repayment of tax

- 29 (1) If an amount of tax has been repaid to...

Restrictions on assessment where return delivered

- 30 (1) If the purchaser has delivered a land transaction return...

Time limit for assessment

- 31 (1) The general rule is that no assessment may be...

Status: Point in time view as at 01/04/2009.

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Assessment procedure

- 32 (1) Notice of an assessment must be served on the...
Part 6 — RELIEF IN CASE OF EXCESSIVE ASSESSMENT

Relief in case of double assessment

- 33 (1) A person who believes he has been assessed to...

Relief in case of mistake in return

- 34 (1) A person who believes he has paid tax under...
Part 7 — REVIEWS AND APPEALS

Right of appeal

- 35 (1) An appeal may be brought against—

Notice of appeal

- 36 (1) Notice of an appeal under paragraph 35 must be...

Appeal: HMRC review or determination by tribunal

- 36A (1) This paragraph applies if notice of appeal has been...

Appellant requires review by HMRC

- 36B (1) Sub-paragraphs (2) and (3) apply if the appellant notifies...

HMRC offer review

- 36C (1) Sub-paragraphs (2) to (6) apply if HMRC notify the...

Notifying appeal to the tribunal

- 36D (1) This paragraph applies in a case where paragraph 36A...

Nature of review etc

- 36E (1) This paragraph applies if HMRC are required by paragraph...

Effect of conclusions of review

- 36F (1) This paragraph applies if HMRC give notice of the...

Notifying appeal to tribunal after review concluded

- 36G (1) This paragraph applies if— (a) HMRC have given notice...

Notifying appeal to tribunal after review offered but not accepted

- 36H (1) This paragraph applies if— (a) HMRC have offered to...

Other interpretation

- 36I (1) In paragraphs 36A to 36H— (a) “matter in question”...

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Settling of appeals by agreement

37 (1) If, before an appeal under paragraph 35 is determined,...

Recovery of tax not postponed by appeal

38 (1) Where there is an appeal ... under paragraph 35,...

Direction by the tribunal to postpone payment

39 (1) If the appellant has grounds for believing that the...

Agreement to postpone payment of tax

40 (1) If the appellant and the relevant officer of the...

Tribunal determinations

41 The determination of the tribunal in relation to any proceedings...

Assessments and self assessments

42 (1) In this paragraph any reference to an appeal means...

Payment of stamp duty land tax where there is a further appeal

43 (1) Where a party to an appeal to the tribunal...

Late notice of appeal

44 (1) This paragraph applies in a case where—

Questions to be determined by the relevant Lands Tribunal

45 (1) Where the question in any dispute on any appeal...

Meaning of HMRC

46 In this Schedule “ HMRC ” means Her Majesty’s Revenue...

SCHEDULE 11 — Stamp duty land tax: record-keeping where transaction is not notifiable

Part 1 — GENERAL

Introductory

1

Form and contents of self-certificate

2

2A Declaration by agent

2B Declaration by the relevant Official Solicitor

Tax-related penalty for fraud or negligence

3

Part 2 — DUTY TO KEEP AND PRESERVE RECORDS

Status: Point in time view as at 01/04/2009.

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Duty to keep and preserve records

4 (A1) This paragraph applies where a transaction is not notifiable,...

Preservation of information instead of original records

5 (1) The duty under paragraph 4 to preserve records may...

Penalty for failure to keep and preserve records

6 (1) A person who fails to comply with paragraph 4...

Part 3 — ENQUIRY INTO SELF-CERTIFICATE

Notice of enquiry

7

Scope of enquiry

8

Notice to produce documents etc for purposes of enquiry

9

Appeal against notice to produce documents etc

10

Penalty for failure to produce documents etc

11

Referral of questions to Special Commissioners during enquiry

12

Withdrawal of notice of referral

13

Effect of referral on enquiry

14

Effect of determination

15

Completion of enquiry

16

Direction to complete enquiry

17

SCHEDULE 11A — Stamp duty land tax: claims not included in returns

Status: Point in time view as at 01/04/2009.

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Introductory

1 This Schedule applies to a claim under any provision of...

Making of claims

2 (1) A claim must be made in such form as...

Duty to keep and preserve records

3 (1) A person who may wish to make a claim...

Amendment of claim by claimant

4 (1) The claimant may amend his claim by notice to...

Correction of claim by Revenue

5 (1) The Inland Revenue may by notice to the claimant...

Giving effect to claims and amendments

6 (1) As soon as practicable after a claim is made,...

Notice of enquiry

7 (1) The Inland Revenue may enquire into a person's claim...

Notice to produce documents etc for purposes of enquiry

8 (1) If the Inland Revenue give a person a notice...

Appeal against notice to produce documents etc

9 (1) An appeal may be brought against a requirement imposed...

Penalty for failure to produce documents etc

10 (1) A person who fails to comply with a notice...

Completion of enquiry

11 (1) An enquiry under paragraph 7 is completed when the...

Direction to complete enquiry

12 (1) The claimant may apply to the tribunal for a...

Giving effect to amendments under paragraph 11

13 (1) Within 30 days after the date of issue of...

Appeals against amendments under paragraph 11

14 (1) An appeal may be brought against a conclusion stated...

Jurisdiction of Commissioners

15

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SCHEDULE 12 — Stamp duty land tax: collection and recovery of tax
Part 1 — GENERAL

Issue of tax demands and receipts

- 1 (1) Where tax is due and payable, a collector may...

Recovery of tax by distraint

- 2 (1) In England and Wales or Northern Ireland, if a...

Recovery of tax by diligence in Scotland

- 3 (1) In Scotland, where any tax is due and has...

Part 2 — COURT PROCEEDINGS

Civil proceedings in magistrates' court or court of summary jurisdiction

- 4 (1) An amount not exceeding £2,000 due and payable by...

Proceedings in county court or sheriff court

- 5 (1) Tax due and payable may be sued for and...

Proceedings in High Court or Court of Session

- 6 Tax may be sued for and recovered from the person...

...

- 7

SCHEDULE 13 — Stamp duty land tax: information powers
Part 1 — POWER OF AUTHORISED OFFICER TO CALL FOR DOCUMENTS OR
INFORMATION FROM TAXPAYER

Notice requiring taxpayer to deliver documents or provide information

- 1 (1) An authorised officer of the Board may by notice...

Requirement of consent of the tribunal

- 2 (1) The consent of the tribunal is required for the...

Contents of notice under this Part

- 3 (1) A notice under paragraph 1 must—

Summary of reasons to be given

- 4 (1) An officer who gives a notice under paragraph 1...

Power to take copies of documents etc

- 5 The person to whom documents are delivered, or to whom...

Part 2 — POWER OF AUTHORISED OFFICER TO CALL FOR DOCUMENTS
FROM THIRD PARTY

Status: Point in time view as at 01/04/2009.

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Notice requiring documents to be delivered or made available

- 6 (1) An authorised officer of the Board may for the...

Requirement of consent of the tribunal

- 7 (1) The consent of the tribunal is required for the...

Contents of notice under paragraph 6

- 8 (1) A notice under paragraph 6 must—

Copy of notice to be given to taxpayer

- 9 (1) Where a notice is given to a person under...

Summary of reasons to be given

- 10 (1) An officer who gives a notice under paragraph 6...

Power to give notice relating to unnamed taxpayer or taxpayers

- 11 (1) If, on an application made by an officer of...

Contents of notice under paragraph 11

- 12 (1) A notice under paragraph 11 must—

Power to take copies of documents etc

- 13 The person to whom documents are delivered or made available...
Part 3 — POWER TO CALL FOR PAPERS OF TAX ACCOUNTANT

Power to call for papers of tax accountant

- 14 (1) Where a person who has stood in relation to...

When notice may be given

- 15 (1) No notice under paragraph 14 may be given for...

Requirement of consent of appropriate judicial authority

- 16 (1) The consent of the appropriate judicial authority is required...

Contents of notice

- 17 (1) A notice under paragraph 14 must—

Power to take copies of documents etc

- 18 The officer to whom documents are delivered in pursuance of...
Part 4 — RESTRICTIONS ON POWERS UNDER PARTS 1 TO 3

Introduction

- 19 The provisions of Parts 1 to 3 of this Schedule...

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Personal records or journalistic material

20 (1) Parts 1 to 3 of this Schedule do not...

Documents or information relating to pending appeal

21 (1) A notice under Part 1 of this Schedule does...

Barristers, advocates and solicitors

22 (1) A notice under Part 2 or 3 of this...

Provision of copies instead of original documents

23 (1) To comply with a notice under Part 1 or...

Documents originating more than six years before date of notice

24 (1) A notice under Part 2 of this Schedule does...

Documents subject to legal privilege

25 (1) A notice under Part 2 or 3 of this...

Documents belonging to auditor or tax adviser

26 (1) A notice under Part 2 of this Schedule—

Documents belonging to auditor or tax adviser: information to be disclosed

27 (1) This paragraph applies where a notice is given under...

Part 5 — POWERS OF BOARD TO CALL FOR DOCUMENTS OR INFORMATION

Notice requiring delivery of documents or provision of information

28 (1) The Board may by notice in writing require a...

Contents of notice

29 A notice under paragraph 28 must— (a) specify or describe...

Power to take copies of documents etc

30 The person to whom documents are delivered, or to whom...

Exclusion of personal records or journalistic material

31 (1) This Part of this Schedule does not apply to...

Part 6 — ORDER OF JUDICIAL AUTHORITY FOR THE DELIVERY OF DOCUMENTS

Order for the delivery of documents

32 (1) The appropriate judicial authority may make an order under...

Notice of application for order

33 (1) A person is entitled— (a) to notice of the...

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Obligations of person given notice of application

34 (1) A person who has been given notice of intention...

Exception of items subject to legal privilege

35 (1) This Part of this Schedule does not apply to...

Resolution of disputes as to legal privilege

36 (1) The Inland Revenue may make provision by regulations for...

Complying with an order

37 (1) The Inland Revenue may make provision by regulations as...

Document not to be retained if photograph or copy sufficient

38 Where a document delivered to an officer of the Board...

Access to or supply of photograph or copy of documents delivered

39 (1) If a request for permission to be granted access...

Sanction for failure to comply with order

40 (1) A person who fails to comply with an order...

Notice of order, etc

41 The Inland Revenue may make provision by regulations as to...

General provisions about regulations

42 Regulations under this Part of this Schedule may contain such...

Part 7 — ENTRY WITH WARRANT TO OBTAIN EVIDENCE OF OFFENCE

Power to issue warrant

43 (1) The appropriate judicial authority, if satisfied on information on...

Meaning of offence involving serious fraud

44 (1) An offence that involves fraud is for the purposes...

Approval of application by Board

45 (1) The Board shall not approve an application for a...

Extent of powers conferred by warrant

46 The powers conferred by a warrant under this Part of...

Exercise of powers conferred by warrant

47 (1) An officer of the Board seeking to exercise the...

Items subject to legal privilege

48 (1) Nothing in this Part of this Schedule authorises the...

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Procedure where documents etc are removed

49 (1) An officer of the Board who removes anything in...

Document not to be retained if photograph or copy sufficient

50 Where anything that has been removed by an officer of...

Access to or supply of photograph or copy of items removed

51 (1) If a request for permission to be granted access...

Endorsement and custody etc of warrant

52 (1) Where entry has been made with a warrant under...
Part 8 — FALSIFICATION ETC OF DOCUMENTS

Falsification etc of documents

53 (1) A person commits an offence if he intentionally—

SCHEDULE 14 — Stamp duty land tax: determination of penalties and related appeals

Determination of penalties and appeals

1 The provisions of this Schedule apply in relation to penalties...

Determination of penalty by officer of the Board

2 (1) An officer of the Board authorised for the purposes...

Alteration of penalty determination

3 (1) After notice has been served of the determination of...

Liability of personal representatives

4 If a person liable to a penalty has died—

Appeal against penalty determination

5 (1) An appeal may be made against the determination of...

Further appeal

6 (1) In addition to any right of appeal on a...

Penalty proceedings before the court

7 (1) Where in the opinion of the Board the liability...

Time limit for determination of penalties

8 (1) The following time limits apply in relation to the...

SCHEDULE 15 — Stamp duty land tax: partnerships
Part 1 — GENERAL PROVISIONS

Status: Point in time view as at 01/04/2009.

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Partnerships

1 In this Part of this Act a “partnership” means—

Legal personality of partnership disregarded

2 (1) For the purposes of this Part of this Act—...

Continuity of partnership

3 For the purposes of this Part of this Act a...

Partnership not to be regarded as unit trust scheme etc

4 A partnership is not to be regarded for the purposes...

Part 2 — ORDINARY PARTNERSHIP TRANSACTIONS

Introduction

5 (1) This Part of this Schedule applies to transactions entered...

Responsibility of partners

6 (1) Anything required or authorised to be done under this...

Joint and several liability of responsible partners

7 (1) Where the responsible partners are liable—

Representative partners

8 (1) Anything required or authorised to be done by or...

Part 3 — TRANSACTIONS TO WHICH SPECIAL PROVISIONS APPLY

9 Introduction

10 Transfer of chargeable interest to a partnership: general

11 Transfer of chargeable interest to a partnership: chargeable consideration including rent

12 Transfer of chargeable interest to a partnership: sum of the lower proportions

12A Election by property-investment partnership to disapply paragraph 10

13 Transfer of chargeable interest to a partnership consisting wholly of bodies corporate

14 Transfer ... of interest in property-investment partnership

15 Exclusion of market rent leases

16 Partnership interests: application of provisions about exchanges etc.

17 Transfer of partnership interest pursuant to earlier arrangements

18 Transfer of chargeable interest from a partnership: general

19 Transfer of chargeable interest from a partnership: chargeable consideration including rent

20 Transfer of chargeable interest from a partnership: sum of the lower proportions

21 Transfer of chargeable interest from a partnership: partnership share attributable to partner

22 (1) Where this paragraph applies, the partnership share attributable to...

23 Transfer of chargeable interest from a partnership to a partnership

24 Transfer of chargeable interest from a partnership consisting wholly of bodies corporate

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- 25 Application of exemptions and reliefs
- 26 Application of disadvantaged areas relief
- 27 Application of group relief
- 27A
- 28 Application of charities relief
- 29 Acquisition of interest in partnership not chargeable except as specially provided
- 30 Transactions that are not notifiable
- 31 Stamp duty on transfers of partnership interests: continued application
- 32 Stamp duty on transfers of partnership interests: modification
- 33 (1) This paragraph applies where stamp duty under Part 1...
- 34 Interpretation: partnership property and partnership share
- 35 Interpretation: transfer of chargeable interest to a partnership
- 36 Interpretation: transfer of interest in a partnership
- 37 Interpretation: transfer of chargeable interest from a partnership
- 38 Interpretation: market value of leases
- 39 Interpretation: connected persons
- 40 Interpretation: arrangements

Withdrawal of money etc from partnership after transfer of chargeable interest

- 17A (1) This paragraph applies where— (a) there is a transfer...

SCHEDULE 16 — Stamp duty land tax: trusts and powers

Meaning of “settlement” and “bare trust”

- 1 (1) In this Part “settlement” means a trust that is...

Interests of beneficiaries under certain trusts

- 2 Where property is held in trust under the law of...

Bare trustee

- 3 (1) Subject to sub-paragraph (2), where a person acquires a...

Acquisition by trustees of settlement

- 4 Where persons acquire a chargeable interest as trustees of a...

Responsibility of trustees of settlement

- 5 (1) Where the trustees of a settlement are liable—

Relevant trustees for purposes of return etc

- 6 (1) A return ... in relation to a land transaction...

Consideration for exercise of power of appointment or discretion

- 7 Where a chargeable interest is acquired by virtue of—
- 8 Reallocation of trust property as between beneficiaries

SCHEDULE 17 — Stamp duty land tax: General and Special Commissioners, appeals and other proceedings

Status: Point in time view as at 01/04/2009.

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General and Special Commissioners: application of general provisions

1 Part 1 of the Taxes Management Act 1970 (c. 9)...

Prescribed matters to be determined by Commissioners or Lands Tribunal

2 (1) The Lord Chancellor may make regulations providing that a...

General or Special Commissioners: jurisdiction

3 (1) Where the General or Special Commissioners have jurisdiction in...

Proceedings brought out of time

4 (1) An appeal under this Part to the General or...

Quorum etc of the Commissioners

5 (1) The Lord Chancellor may make regulations about the number...

Procedure

6 (1) The Lord Chancellor may make regulations about the practice...

Consequences of determination by the Commissioners

7 The Lord Chancellor may make regulations prescribing the consequences of...

Costs

8 The Lord Chancellor may make regulations about—

Finality of decisions of the Commissioners

9 (1) The Lord Chancellor may make regulations about the following...

Publication of reports of decisions

10 (1) The Lord Chancellor may make regulations authorising the Special...

Supplementary provisions

11 (1) Any power to make regulations under this Schedule is...

SCHEDULE 17A — Further provisions relating to leases

- 1 Meaning of “lease”
- 2 Leases for a fixed term
- 3 Leases that continue after a fixed term
- 4 Treatment of leases for indefinite term
- 5 Treatment of successive linked leases
- 6 Rent
- 7 Variable or uncertain rent

First rent review in final quarter of fifth year

7A Where— (a) a lease contains provision under which the rent...

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Adjustment where rent ceases to be uncertain

- 8 (1) Where the provisions of section 51 (1) and (2)...

Rent for overlap period in case of grant of further lease

- 9 (1) This paragraph applies where— (a) A surrenders an existing...

Backdated lease granted to tenant holding over

- 9A (1) This paragraph applies where— (a) the tenant under a...

Tenants' obligations etc that do not count as chargeable consideration

- 10 (1) In the case of the grant of a lease...

Cases where assignment of lease treated as grant of lease

- 11 (1) This paragraph applies where the grant of a lease...

Assignment of lease: responsibility of assignee for returns etc

- 12 (1) Where a lease is assigned, anything that but for...

Agreement for lease

- 12A (1) This paragraph applies where in England and Wales or...

Assignment of agreement for lease

- 12B (1) This paragraph applies, in place of section 45 (contract...

Increase of rent treated as grant of new lease: variation of lease in first five years

- 13 (1) Where a lease is varied so as to increase...

Increase of rent treated as grant of new lease: abnormal increase after fifth year

- 14 (1) This paragraph applies if, after the end of the...

Increase of rent after fifth year: whether regarded as abnormal

- 15 Whether an increase in rent is to be regarded for...

Reduction of rent or term or other variation of lease

- 15A (1) Where a lease is varied so as to reduce...

Surrender of existing lease in return for new lease

- 16 Where a lease is granted in consideration of the surrender...

Assignment of lease: assumption of obligations by assignee

- 17 In the case of an assignment of a lease the...

Reverse premium

- 18 (1) In the case of the grant, assignment or surrender...

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Loan or deposit in connection with grant or assignment of lease

18A (1) Where, under arrangements made in connection with the grant...

Provisions relating to leases in Scotland

19 (1) In the application of this Part to Scotland—

SCHEDULE 18 — Stamp duty land tax: consequential amendments

Provisional Collection of Taxes Act 1968

1 In section 1(1) of the Provisional Collection of Taxes Act...

Inheritance Tax Act 1984

2 In section 190(4) of the Inheritance Tax Act 1984 (c....

Income and Corporation Taxes Act 1988

3 (1) The Income and Corporation Taxes Act 1988 (c. 1)...

Finance Act 1989

4 In section 178(2) of the Finance Act 1989 (c. 26)...

Taxation of Chargeable Gains Act 1992

5 In section 38(2) of the Taxation of Chargeable Gains Act...

Income Tax (Earnings and Pensions) Act 2003

6 In section 277 of the Income Tax (Earnings and Pensions)...

SCHEDULE 19 — Stamp duty land tax: commencement and transitional provisions

Introduction

1 (1) Subject to the provisions of this Schedule, the provisions...

The implementation date

2 (1) A transaction is not an SDLT transaction unless the...

Contract entered into before first relevant date

3 (1) Subject to the following provisions of this paragraph, a...

Contract substantially performed before implementation date

4 (1) This paragraph applies where a transaction—

Contracts substantially performed after implementation date

4A Where— (a) a transaction is effected in pursuance of a...

Application of provisions in case of transfer of rights

4B (1) This paragraph applies where section 44 (contract and conveyance)...

Status: Point in time view as at 01/04/2009.

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Credit for ad valorem stamp duty paid

5 (1) Where a transaction chargeable to stamp duty land tax...

Effect for stamp duty purposes of stamp duty land tax being paid or chargeable

6 (1) Where in the case of a contract that, apart...

Earlier related transactions under stamp duty

7 (1) In relation to a transaction that is not an...

Stamping of contract where transaction on completion subject to stamp duty land tax

7A (1) This paragraph applies where— (a) a contract that apart...

Stamping of agreement for lease where grant of lease subject to stamp duty land tax

8 (1) This paragraph applies where— (a) an agreement for a...

Exercise of option or right of pre-emption acquired before implementation date

9 (1) This paragraph applies where— (a) an option binding the...

Supplementary

10 In this Schedule “contract” includes any agreement.

SCHEDULE 20 — Stamp duty: restriction to instruments relating to stock or marketable securities

Part 1 — SUPPLEMENTARY PROVISIONS

Reduction of stamp duty where instrument partly relating to stock or marketable securities

1 (1) This paragraph applies where stamp duty under Part 1...

Apportionment of consideration for stamp duty purposes

2 (1) Where part of the property referred to in section...

Part 2 — CONSEQUENTIAL AMENDMENTS AND REPEALS

Removal of unnecessary references to “conveyance”

3 In the enactments relating to stamp duty for “conveyance or...

Finance Act 1895

4 In section 12 of the Finance Act 1895 (c. 16)...

Finance Act 1990

5 In section 108 of the Finance Act 1990 (c. 29)...

Finance Act 1999

6 In paragraph 1(2) of Schedule 13 to the Finance Act...

Power to make further consequential amendments or repeals

7 (1) The Treasury may by regulations make such other amendments...

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SCHEDULE 21 — Approved share plans and schemes

Part 1 — SHARE INCENTIVE PLANS

Introductory

- 1 Schedule 2 to the Income Tax (Earnings and Pensions) Act...

Participation in more than one connected plan in a tax year

- 2 After paragraph 18 insert— Participation in more than one connected...
3 In paragraph 13 (eligibility of individuals: introduction), for the entry...
4 In paragraph 14(7) (eligibility to participate dependent on certain requirements...
5 In paragraph 18 (requirement not to participate in connected SIPs),...
6 After paragraph 71 insert— Duty to monitor participants in connected...

Partnership shares

- 7 (1) Paragraph 46 (maximum amount of partnership share money deductions)...
8 In paragraph 47 (minimum amount of deductions)—
Part 2 — SAYE OPTION SCHEMES

Introductory

- 9 Schedule 3 to the Income Tax (Earnings and Pensions) Act...

Minor correction

- 10 In paragraph 25(3)(a) (limit on contributions under CCS schemes linked...

Exercise of options: scheme-related employment ends because of change of control or transfer

- 11 (1) Paragraph 34 (exercise of options: scheme-related employment ends) is...

Alteration of schemes

- 12 (1) Paragraph 42 (withdrawal of approval) is amended as follows....
Part 3 — CSOP SCHEMES

Introductory

- 13 The Income Tax (Earnings and Pensions) Act 2003 (c. 1)...

Exercise of options: exclusion of income tax liability

- 14 (1) Section 524 (no charge in respect of exercise of...
15 (1) Schedule 4 (approved CSOP schemes) is amended as follows....

Meaning of “material interest”

- 16 (1) In paragraphs 10(2) and (3), 11(3) and (4) and...

Alteration of schemes

- 17 (1) Paragraph 30 (withdrawal of approval) is amended as follows....

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PAYE

18 (1) Section 701(2)(c) (PAYE: exclusions from meaning of “asset”) is...

SCHEDULE 22 — Employee securities and options

Introductory

1 The Income Tax (Earnings and Pensions) Act 2003 (c. 1)...

Main provisions

- 2 (1) For Chapter 1 of Part 7 (and the heading...
- 3 (1) For Chapter 2 of Part 7 substitute— Chapter 2...
- 4 (1) For Chapter 3 of Part 7 substitute— Chapter 3...
- 5 (1) After Chapter 3 of Part 7 insert— Chapter 3A...
- 6 (1) After Chapter 3A of Part 7 (inserted by paragraph...
- 7 (1) After Chapter 3B of Part 7 (inserted by paragraph...
- 8 (1) After Chapter 3C of Part 7 (inserted by paragraph...
- 9 (1) For Chapter 4 of Part 7 substitute— Chapter 4...
- 10 (1) For Chapter 5 of Part 7 substitute— Chapter 5...

PAYE

- 11 (1) Section 509 (modification of section 696 where charge on...
- 12 (1) For sections 698 and 699 (PAYE: conditional interests in...
- 13 (1) For section 700 (PAYE: gains from share options) substitute—...
- 14 (1) In section 701(2)(b) (“asset” not to include vouchers or...
- 15 (1) Section 702 (meaning of “readily convertible asset”) is amended...

Consequential amendments

- 16 (1) In section 3(1) (structure of employment income Parts), in...
- 17 (1) In section 7(6)(b) (employment income), for “(share-related income and...
- 18 (1) In section 19(2) (year in which earnings treated as...
- 19 (1) In section 32(2) (receipt of non-money earnings), omit the...
- 20 (1) In section 63(1) (the benefits code), omit the entries...
- 21 (1) In section 64 (relationship between earnings and benefits code),...
- 22 (1) Omit Chapter 8 of Part 3.
- 23 (1) Omit Chapter 9 of Part 3.
- 24 (1) Section 216 (provisions not applicable to lower-paid employments) is...
- 25 (1) Section 227(4) (employment income: exemptions) is amended as follows....
- 26 (1) Omit section 491 (no charge under Chapter 8 of...
- 27 (1) Omit section 494 (no charge on removal of restrictions...
- 28 (1) Omit section 495 (approved share incentive plan shares: value...
- 29 (1) Omit section 518 (no charge in respect of acquisition...
- 30 (1) In section 519 (no charge in respect of exercise...
- 31 (1) Omit section 520 (approved SAYE option schemes: no charge...
- 32 (1) Omit section 523 (no charge in respect of acquisition...
- 33 (1) In section 524 (no charge in respect of exercise...
- 34 (1) Omit section 525 (approved CSOP schemes: no charge in...
- 35 (1) In section 526(4) (charge where approved CSOP scheme option...

Status: Point in time view as at 01/04/2009.

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- 36 (1) Omit section 528 (enterprise management incentives: no charge in...
- 37 (1) In section 531(4) (enterprise management incentives: limitation of charge...
- 38 (1) In section 532(5) (enterprise management incentives: modified tax consequences...
- 39 (1) In section 538 (share conversions excluded for purposes of...
- 40 (1) In section 540(1) (enterprise management incentives: notional loan provisions...
- 41 (1) In section 541 (enterprise management incentives: effect on other...
- 42 (1) Part 2 of Schedule 1 (index of defined expressions)...
- 43 (1) In paragraph 35 of Schedule 2 (approved share incentive...
- 44 (1) In paragraph 42(3) of Schedule 3 (approved SAYE option...
- 45 (1) Schedule 5 (enterprise management incentives) is amended as follows....
- 46 (1) Schedule 7 (transitionals and savings) is amended as follows....

Consequential amendments of other enactments

- 47 (1) In section 98 of the Taxes Management Act 1970...
- 48 (1) In section 4(4)(a) of— (a) the Social Security Contributions...
- 49 The Taxation of Chargeable Gains Act 1992 (c. 12) is...
- 50 (1) After section 119 insert— Increase in expenditure by reference...
- 51 In section 120 (increase in expenditure by reference to tax...
- 52 (1) After section 149A insert— Restricted and convertible employment-related securities...
- 53 In section 149B (employee incentive schemes: conditional interests in shares),...
- 54 (1) In section 288 (interpretation), after subsection (1) insert—
- 55 (1) The Social Security Contributions (Share Options) Act 2001 (c....
- 56 In section 2(3)(b) (effect of notice under section 1), insert...
- 57 (1) Section 3 (special provision for roll-overs) is amended as...
- 58 In section 5(2)(c) (interpretation), for “483(1)” substitute “ 477(6) ”....
- 59 Schedule 23 to this Act (corporation tax relief for employee...
- 60 (1) Paragraph 1 is amended as follows.
- 61 (1) For paragraph 5(2) substitute— (2) Where the shares acquired...
- 62 (1) For paragraph 11(2) substitute— (2) Where the shares acquired...
- 63 (1) In paragraph 12, for “in exercise of” substitute “...
- 64 (1) Paragraph 13 is amended as follows.
- 65 (1) For paragraph 14 substitute— Income tax position of the...
- 66 (1) Paragraph 15 is amended as follows.
- 67 (1) In paragraph 17(1), for “in exercise of” substitute “...
- 68 (1) For Part 4 substitute— Part 4 Provisions applying in...
- 69 (1) After Part 4 insert— Part 4A Provisions applying in...
- 70 (1) In paragraph 23(2)(a), for “or 22” substitute “ ,...
- 71 (1) In paragraph 26 before paragraph (a) insert—
- 72 (1) For paragraph 27 substitute— Acquisition of shares pursuant to...
- 73 (1) Paragraph 31 is amended as follows.

SCHEDULE 23 — Corporation tax relief for employee share acquisition
Part 1 — GENERAL PROVISIONS

Introduction

- 1 (1) This Schedule provides for corporation tax relief for a...

Status: Point in time view as at 01/04/2009.

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Requirements for relief

2 Relief under this Schedule is available only if the requirements...

Business must be within the charge to corporation tax

3 (1) The business for the purposes of which the award...

Kind of shares acquired

4 (1) The shares acquired must meet the following requirements.

Part 2 — AWARD OF SHARES

Introduction

5 (1) The provisions of this Part of this Schedule apply...

The company whose shares are acquired

6 (1) The shares acquired must be shares in—

Income tax position of employee

7 (1) It must be the case that the employee—

Amount of relief

8 (1) The amount of the relief is equal to the...

How relief is given

9 (1) The amount of the relief is allowed as a...

Timing of relief

10 (1) The relief is given for the accounting period in...

Part 3 — GRANT OF OPTION

Introduction

11 (1) The provisions of this Part of this Schedule apply...

The company whose shares are acquired

12 The company whose shares are acquired pursuant to the option...

Takeover of company whose shares are subject of option

13 (1) This paragraph applies where— (a) there is a takeover...

Income tax position of the employee

14 (1) It must be the case that the acquisition of...

Amount of relief

15 (1) The amount of the relief is equal to the...

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How relief is given

- 16 (1) The amount of the relief is allowed as a...

Timing of relief

- 17 (1) The relief is given for the accounting period in...
Part 4 — PROVISIONS APPLYING IN CASE OF RESTRICTED SHARES
- 18 Introduction
- 19 Meaning of “restricted shares”
- 20 Income tax position of employee in case of restricted shares
- 21 Amount of relief in case of restricted shares
- 22 Timing of relief in case of restricted shares
Part 4A — PROVISIONS APPLYING IN CASE OF CONVERTIBLE SHARES
- 22A Introduction
- 22B Meaning of “convertible shares”
- 22C Amount of relief in case of convertible shares
- 22D Timing of relief in case of convertible shares
Part 5 — SUPPLEMENTARY PROVISIONS

Transfer of business within a group

- 23 (1) This paragraph applies where— (a) between the time when...

Relationship between relief and other deductions: priority of deductions under SIP code

- 24 (1) Deductions available under any of the following provisions of...

Relationship between relief and other deductions: exclusion of other deductions

- 25 (1) Where relief under this Schedule is (or, apart from...

Meaning of “employment”

- 26 For the purposes of this Schedule— (za) “employment”...

Acquisition of shares pursuant to option after death of employee or recipient

- 27 (1) Where after the employee’s death shares are acquired by...

Meaning of “group company” and “parent company”

- 28 For the purposes of this Schedule— (a) a company is...

Meaning of “consortium” and “commercial association of companies”

- 29 (1) For the purposes of this Schedule a company is...

Minor definitions

- 30 In this Schedule— “the Contributions and Benefits Act” means— the...

Index of defined expressions

- 31 In this Schedule the following expressions are defined or otherwise...
Part 6 — COMMENCEMENT AND TRANSITIONAL PROVISIONS

Status: Point in time view as at 01/04/2009.

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Commencement

- 32 This Schedule applies to accounting periods of the employing company...

Transitional provisions

- 33 (1) Relief is not available under this Schedule in respect...

SCHEDULE 24 — Restriction of deductions for employee benefit contributions

Restriction of deductions

- 1 (1) This Schedule applies if, in calculating for corporation tax...

“Provision of qualifying benefits”

- 2 (1) For the purposes of this Schedule qualifying benefits are...

“Qualifying expenses”

- 3 In this Schedule “qualifying expenses”— (a) does not include expenses...

Payment “out of” employee benefit contributions

- 4 (1) For the purposes of paragraph 1(3)(a) any qualifying benefits...

Transfer of asset to employee

- 5 (1) This paragraph applies where the provision of a qualifying...

Provisional calculation of profits

- 6 Where the calculation referred to in paragraph 1(1) is made...

Life assurance business

- 7 (1) In the case of a company in relation to...

Deductions to which Schedule does not apply

- 8 This Schedule does not apply to any deduction that is...

Interpretation

- 9 (1) In this Schedule— “accident benefit scheme” means an employee...

Consequential amendments

- 10 (1) In section 43 (Schedule D) and section 44 (investment...

Commencement and transitory provisions

- 11 (1) This Schedule has effect in relation to deductions that...

SCHEDULE 25 — Determination of profits attributable to permanent establishment: supplementary provisions

The Schedule inserted in the Taxes Act 1988 as Schedule...

Status: Point in time view as at 01/04/2009.

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SCHEDULE 26 — Non-resident companies: transactions through broker, investment manager or Lloyd's agent

Introduction

- 1 (1) This Schedule makes provision about transactions carried out on...

Brokers

- 2 (1) In relation to a transaction carried out on behalf...

Investment managers

- 3 (1) In relation to an investment transaction carried out on...

Investment managers: the 20% rule

- 4 (1) The requirements of the 20% rule are—

Investment managers: application of 20% rule to collective investment schemes

- 5 (1) This paragraph applies where amounts arise or accrue to...

Profits attributable to permanent establishment: disregard of profits of certain investment transactions

- 5A (1) This paragraph applies if— (a) an investment manager carries...

Lloyd's agents

- 6 (1) Where a non-resident company is a member of Lloyd's...

General supplementary provisions

- 7 (1) For the purposes of this Schedule a person is...

SCHEDULE 27 — Permanent establishment etc: consequential amendments

Taxes Act 1988

- 1 (1) The Taxes Act 1988 is amended as follows.

Taxation of Chargeable Gains Act 1992

- 2 (1) The Taxation of Chargeable Gains Act 1992 (c. 12)...

Finance Act 1993

- 3 (1) In sections 93 and 93A of the Finance Act...

Finance Act 1995

- 4 (1) Section 126 of the Finance Act 1995 (c. 4)...
- 5 (1) Section 127 of the Finance Act 1995 (persons not...
- 6 In section 128 of the Finance Act 1989 (limit on...
- 7 Omit section 129 of the Finance Act 1995 (c. 4)...

Status: Point in time view as at 01/04/2009.

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Finance Act 1996

8 In Schedule 15 to the Finance Act 1996 (c. 8)...

Finance Act 2000

9 In Schedule 15 to the Finance Act 2000 (c. 17)...

SCHEDULE 28 — Capital gains tax: reporting limits and annual exempt amount

Part 1 — REPORTING LIMITS

1 After section 3 of the Taxation of Chargeable Gains Act...

2 (1) In the heading to Schedule 1 to that Act...

Part 2 — ANNUAL EXEMPT AMOUNT

3 (1) Section 3 of the Taxation of Chargeable Gains Act...

4 (1) Paragraph 1 of Schedule 1 to that Act is...

5 (1) Paragraph 2 of that Schedule is amended as follows....

6 In the first column of the Table in section 98...

Part 3 — COMMENCEMENT

7 The amendments in paragraphs 1, 2, 3(2) and (3), 4(2)(a)...

8 The amendments in paragraphs 3(4), 4(2)(b), (3) and (4)(b) and...

9 The amendments in paragraphs 4(5), 5(6) and 6 of this...

SCHEDULE 29 — Transfers of value: attribution of gains to beneficiaries

Introduction

1 Schedule 4C to the Taxation of Chargeable Gains Act 1992...

Scope and scheme of Schedule

2 For paragraphs 1 and 2 (introduction and general scheme of...

Other gains to be brought into Schedule 4C pool

3 After paragraph 7 insert— Outstanding section 87/89 gains (1) The amount of outstanding section 87/89 gains of a...

Attribution of gains to beneficiaries

4 (1) For paragraphs 8 and 9 (attribution of gains to...

Gains attributed to settlor

5 (1) Paragraph 6 is amended as follows.

Minor and consequential amendments

6 (1) In paragraph 10(1) for “of the transferor settlement, or...

SCHEDULE 30 — First-year allowances for expenditure on environmentally beneficial plant or machinery

Introductory

1 The Capital Allowances Act 2001 (c. 2) is amended as...

Status: Point in time view as at 01/04/2009.

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Types of expenditure for which first-year allowances available

- 2 In section 39— (a) after “under” insert “ any of...

First-year qualifying expenditure on environmentally beneficial plant or machinery

- 3 After section 45G insert— Expenditure on environmentally beneficial plant or...

General exclusions affecting first-year qualifying expenditure

- 4 (1) In section 46(1)— (a) after “under” insert “ any...

Amount of first-year allowances

- 5 In section 52(3), in the Table, after the entries relating...

Penalty for failure to provide information etc

- 6 In the second column of the Table in section 98...

Transitory provision: expenditure incurred etc before first order made

- 7 (1) For the purposes of section 45H(2) of the Capital...

SCHEDULE 31 — Tax relief for expenditure on research and development
Part 1 — SMALL AND MEDIUM-SIZED ENTERPRISES: SCHEDULE 20 TO
FINANCE ACT 2000

Introductory

- 1 Schedule 20 to the Finance Act 2000 (c. 17) (tax...

Required minimum aggregate expenditure: reduction from £25,000 to £10,000

- 2 (1) Paragraph 1 (entitlement to R&D tax relief) is amended...

Required minimum aggregate expenditure: inclusion of new class of expenditure

- 3 (1) Paragraph 1 is also amended as follows.

Qualifying R&D expenditure: expenditure on externally provided workers

- 4 In paragraph 3 (qualifying R&D expenditure) for sub-paragraph (4) (the...

Staffing costs: persons partly engaged directly and actively in relevant R&D

- 5 (1) In paragraph 5 (staffing costs) sub-paragraph (3) (person partly...

Qualifying expenditure on externally provided workers

- 6 After paragraph 8 (subsidised expenditure) insert— Qualifying expenditure on externally...

Qualifying expenditure on sub-contracted R&D: externally provided workers

- 7 (1) Paragraph 10 (treatment of qualifying expenditure on sub-contracted research...

Status: Point in time view as at 01/04/2009.

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Part 2 — LARGE COMPANIES: PART 1 OF SCHEDULE 12 TO FINANCE ACT 2002

Introductory

8 Part 1 of Schedule 12 to the Finance Act 2002...

Required minimum aggregate expenditure: reduction from £25,000 to £10,000

9 (1) Paragraph 1 (entitlement to relief under Part 1 of...

Qualifying expenditure on externally provided workers

10 In paragraph 4 (qualifying expenditure on direct research and development)...

Part 3 — WORK SUB-CONTRACTED TO SMES: PART 2 OF SCHEDULE 12 TO FINANCE ACT 2002

Introductory

11 Part 2 of Schedule 12 to the Finance Act 2002...

Required minimum aggregate expenditure: reduction from £25,000 to £10,000

12 (1) Paragraph 7 (entitlement to relief under Part 2 of...

Required minimum aggregate expenditure: inclusion of new class of expenditure

13 (1) Paragraph 7 is also amended as follows.

R&D directly undertaken by SME: qualifying expenditure on externally provided workers

14 In paragraph 9 (expenditure on research and development directly undertaken...

Part 4 — ENTITLEMENT OF SME TO CERTAIN RELIEF AVAILABLE TO LARGE COMPANIES

Insertion of Part 2A of Schedule 12 to the Finance Act 2002

15 After Part 2 of Schedule 12 to the Finance Act...

Part 5 — SUPPLEMENTARY: AMENDMENTS TO PARTS 3 TO 6 OF SCHEDULE 12 TO FINANCE ACT 2002

Introductory

16 Parts 3 to 6 of Schedule 12 to the Finance...

Deduction in computing profits of trade

17 (1) Paragraph 11 is amended as follows.

Refunds of contributions to independent research and development

18 In paragraph 15(1) (refunds of certain payments) omit the word...

Meaning of “qualifying expenditure on externally provided workers”

19 (1) Paragraph 17 (which applies certain definitions from Schedule 20...

Status: Point in time view as at 01/04/2009.

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Part 6 — EXPENDITURE ON VACCINE RESEARCH ETC: SCHEDULE 13 TO
FINANCE ACT 2002

Introductory

20 Schedule 13 to the Finance Act 2002 (tax relief for...

Reduction of required qualifying expenditure from £25,000 to £10,000

21 (1) Paragraph 1 (entitlement to relief under the Schedule) is...

Direct research and development: qualifying expenditure on externally provided workers

22 In paragraph 3 (qualifying expenditure on direct research and development)...

Meaning of “qualifying expenditure on externally provided workers”

23 (1) Paragraph 5(3) (which applies certain definitions in Schedule 20...

Relevant expenditure of sub-contractor: qualifying expenditure on externally provided workers

24 In paragraph 9 (relevant expenditure of sub-contractor) for sub-paragraph (3)...

SCHEDULE 32 — Tonnage tax: restrictions on capital allowances for lessors of ships

The ring fence: amendments to the provisions about capital allowances and ship leasing

1 (1) In Schedule 22 to the Finance Act 2000 (c....

Consequential amendments

2 (1) In paragraph 41(4) of that Schedule (the requirement not...

Commencement and temporary provision

3 (1) Subject to paragraph 4(2), the amendments made by paragraphs...

4 (1) This paragraph applies in relation to any lease entered...

5 In paragraphs 3 and 4 “lease” means any arrangements that...

SCHEDULE 33 — Insurance companies

Case I profits

1 (1) For section 82 of the Finance Act 1989 (c....

2 (1) Section 83 of the Finance Act 1989 (receipts etc...

3 (1) In the Finance Act 1989 (c. 26), after section...

4 (1) In section 83AA of the Finance Act 1989 (c....

5 (1) In section 83AB(1)(c) of the Finance Act 1989 (treatment...

6 (1) In section 88 of the Finance Act 1989 (c....

7 (1) In section 89(7) of the Finance Act 1989 (which...

8 (1) In section 76(1) of the Taxes Act 1988 (expenses...

9 (1) In section 432D of the Taxes Act 1988 (section...

10 (1) Section 432E of the Taxes Act 1988 (apportionment of...

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- 11 (1) In section 804B(7) of the Taxes Act 1988 (double...
12 (1) In section 76(2B)(b) of the Taxes Act 1988 (expenses...

Rate of tax on policy holders' share of life assurance profits

- 13 (1) The Finance Act 1989 is amended as follows.

Chargeable gains

- 14 (1) In the Taxation of Chargeable Gains Act 1992 (c....
15 (1) In the Taxation of Chargeable Gains Act 1992 (c....
16 (1) Section 213 of the Taxation of Chargeable Gains Act...
17 (1) Section 171A of the Taxation of Chargeable Gains Act...

Transfers of business

- 18 (1) In the Taxes Act 1988, after section 444A insert—...
19 (1) In the Taxes Act 1988, after section 444AA (inserted...
20 (1) In the Taxes Act 1988, after section 444AB (inserted...
21 (1) In the Taxation of Chargeable Gains Act 1992 (c....
22 (1) In section 431 of the Taxes Act 1988 (interpretative...
23 (1) Section 442A of the Taxes Act 1988 (investment return...
24 (1) Section 444A of the Taxes Act 1988 (transfers of...

Meaning of “investment reserve” etc

- 25 In section 431(2) of the Taxes Act 1988 (interpretative provisions...
26 In section 432A(9A) of the Taxes Act 1988 (apportionment of...
27 In paragraph 4(5) of Schedule 19AA to the Taxes Act...
28 Paragraphs 25 to 27 have effect in relation to periods...

Meaning of “period of account”

- 29 In section 431(2) of the Taxes Act 1988 (interpretative provisions...

Rationalisation of interpretation provisions

- 30 In section 84(2) and (3) of the Finance Act 1989...
31 In the Finance Act 1989, after section 90 insert— Interpretation...
32 In the Taxation of Chargeable Gains Act 1992 (c. 12),...

SCHEDULE 34 — Policies of life insurance etc: miscellaneous amendments
Part 1 — GROUP LIFE POLICIES

Exception of certain group life policies from Chapter 2 of Part 13

- 1 (1) Section 539 of the Taxes Act 1988 (introductory) is...

Excepted group life policies

- 2 After section 539 of the Taxes Act 1988 insert— The...

Retrospective exception of past and present pure protection group life policies

- 3 (1) For the purposes of Chapter 2 of Part 13...

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Existing group life policies: time for compliance with the conditions in section 539A

4 (1) Where— (a) on 9th April 2003 a policy of...

Deaths before 6th April 2004: period for insurer to give certificate under section 552(1)(a)

5 (1) If any death giving rise to benefits under a...
Part 2 — CHARITABLE AND NON-CHARITABLE TRUSTS

Interpretation

6 In section 539 of the Taxes Act 1988 (introductory) in...

Method of charging gain to tax

7 (1) Section 547 of the Taxes Act 1988 is amended...

Method of charging gain to tax: multiple interests

8 (1) Section 547A of the Taxes Act 1988 is amended...

Deemed surrender of certain loans

9 (1) Section 548(1) of the Taxes Act 1988 is amended...

Right of individual to recover tax from trustees

10 In section 551 of the Taxes Act 1988, in subsection...

Right of company to recover tax from trustees

11 In section 551A of the Taxes Act 1988, in subsection...

Section 547(1)(cc) and (d)(ia): exception for certain old policies and contracts

12 (1) Paragraph 7(1) of Schedule 14 to the Finance Act...
Part 3 — MEANING OF “LIFE ANNUITY”

Restriction of “life annuity” to contracts to which section 656 of the Taxes Act 1988 applies

13 In section 539 of the Taxes Act 1988 (introductory) in...
Part 4 — ROLLOVER OF GAIN ON MATURITY INTO NEW POLICY

Repeal of section 540(2) of the Taxes Act 1988

14 (1) Section 540(2) of the Taxes Act 1988 (maturity not...

Saving for certain policies maturing on or after 9th April 2003

15 (1) The maturity of a policy of life insurance (“the...

SCHEDULE 35 — Gains on policies of life insurance etc: rate of tax

Application of the lower rate

1 (1) Section 1A of the Taxes Act 1988 (application of...

Method of charging gains from policies of life insurance etc to tax

2 (1) Section 547 of the Taxes Act 1988 is amended...

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Relief where gain charged at a higher rate

3 In section 550(3) of the Taxes Act 1988 (rates of...

Gains included in aggregate income of estate of deceased

4 In section 699A(4)(b) of the Taxes Act 1988 (sums included...

Income to be disregarded in determining highest part of person's income

5 In section 833(3)(b) of the Taxes Act 1988 (which provides...

SCHEDULE 36 — Foster carers

Part 1 — INTRODUCTION

Introductory

1 (1) This Schedule provides relief on income from the provision...

Individuals qualifying for relief

2 (1) An individual qualifies for relief under this Schedule for...

Meaning of "foster care receipts"

3 (1) For the purposes of this Schedule, receipts are "foster...

Meaning of "provision of foster care"

4 (1) In this Schedule, the "provision of foster care" means...

Meaning of "total foster care receipts"

5 (1) For the purposes of this Schedule, an individual's "total...

The individual's limit

6 The individual's limit for a year of assessment is the...

The individual's share of the fixed amount

7 (1) The fixed amount is £10,000. (2) If, in a...

The amount per child

8 (1) An individual's amount per child for a year of...

Power to alter amounts

9 The Treasury may by order amend the amounts for the...

Part 2 — THE EXEMPTION AND THE ALTERNATIVE METHODS OF
CALCULATION

The exemption

10 (1) This paragraph applies to an individual for a year...

Alternative calculation of profits where amount is above the limit

11 The alternative method of calculating profits given in paragraphs 12...

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Alternative calculation of profits: income from trade etc

12 (1) This paragraph applies if— (a) the alternative method of...

Alternative calculation of profits: income charged under Case VI of Schedule D

13 (1) This paragraph applies if— (a) the alternative method of...

Election for alternative method

14 (1) An individual may elect— (a) for the alternative method...

Periods of account ending otherwise than on 5th April

15 (1) This paragraph applies to an individual for a year...

Part 3 — CAPITAL ALLOWANCES

Introductory

16 (1) Paragraphs 17 to 19 make provision for the application...

Provisions applying in relation to carried forward unrelieved qualifying expenditure

17 (1) This paragraph applies in any case where—

Expenditure incurred in a relevant chargeable period not qualifying expenditure

18 Capital expenditure (“excluded capital expenditure”) which is incurred
—

Excluded capital expenditure: subsequent treatment of asset

19 Where a relevant individual incurs excluded capital expenditure in a...

Interpretation of this Part

20 Expressions which— (a) are used in this Part, and

Part 4 — SUPPLEMENTARY

Interpretation

21 In this Schedule— “CAA 2001” means the Capital Allowances Act...

SCHEDULE 37 — Loan relationships: amendments

Part 1 — AMENDMENTS TO SCHEDULE 9 TO THE FINANCE ACT 1996

Introductory

1 Schedule 9 to the Finance Act 1996 (c. 8) (loan...

Late interest

2 (1) Paragraph 2 is amended as follows.

Continuity of treatment: groups etc

3 (1) Paragraph 12 is amended as follows.

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Discounted securities where companies have a connection

- 4 (1) In paragraph 17, for sub-paragraph (8) (reference to person...

Discounted securities of close companies

- 5 (1) Paragraph 18 is amended as follows.
Part 2 — TRANSITIONAL PROVISIONS

Transitional provisions

- 6 (1) In Schedule 25 to the Finance Act 2002 (c....

SCHEDULE 38 — Sale and repurchase of securities etc

Increase of repurchase price of UK securities by amount of deemed manufactured dividend

- 1 In section 737C of the Taxes Act 1988 (deemed manufactured...

Deemed manufactured payment where transferor or connected person makes payment representative of dividend

- 2 (1) Section 737A of the Taxes Act 1988 (deemed manufactured...
3 In section 737C of the Taxes Act 1988 (deemed manufactured...

Provisions to cover both “put” and “call” options

- 4 In section 727A(1) of the Taxes Act 1988 (accrued income...
5 In section 730A(1) of the Taxes Act 1988 (treatment of...
6 In section 731(2D) of the Taxes Act 1988 (provisions about...
7 In section 737A(1) of the Taxes Act 1988 (deemed manufactured...
8 In section 737E(8) of the Taxes Act 1988 (power to...
9 In paragraph 12(4) of Schedule 7AC to the Taxation of...

Option premium to be reflected in sale price unless brought into account under derivative contracts provisions

- 10 In section 730A of the Taxes Act 1988 (treatment of...

Exchange gains and losses

- 11 (1) Section 730A of the Taxes Act 1988 (treatment of...
12 After section 730B of the Taxes Act 1988 insert— Exchange...
13 (1) Section 737E of the Taxes Act 1988 (power to...
14 In section 100 of the Finance Act 1996 (c. 8)...

Exceptions

- 15 In section 727A(1) of the Taxes Act 1988 (accrued income...
16 In section 730A(8)(b) of the Taxes Act 1988 (treatment of...
17 In section 737C(11A) of the Taxes Act 1988 (purposes for...
18 (1) Paragraph 15 of Schedule 9 to the Finance Act...

Connected persons

- 19 In paragraph 15(3)(b) of Schedule 9 to the Finance Act...

Status: Point in time view as at 01/04/2009.

Changes to legislation: Finance Act 2003 is up to date with all changes known to be in force on or before 30 May 2024. 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)

Correction of section 730A(6B) of the Taxes Act 1988

20 In section 730A(6B) of the Taxes Act 1988 (trading loan...

Commencement

21 (1) Paragraph 1 has effect in relation to repurchase prices...

SCHEDULE 39 — Relevant discounted securities: withdrawal of relief for costs and losses, etc

Withdrawal of relief for incidental costs

1 (1) In Schedule 13 to the Finance Act 1996 (discounted...

Withdrawal of relief for losses

2 Omit paragraph 2 of that Schedule (income tax relief for...

Withdrawal of loss relief: exception for strips of government securities

3 After paragraph 14 of that Schedule (gilt strips) insert— Strips...

Extension of provisions about strips to strips of foreign government securities

4 In the definition of “strip” in paragraph 15(1) of that...

Consequential amendments

5 (1) In paragraph 6 of that Schedule (trustees and personal...

Commencement and transitional provisions

6 (1) Subject to sub-paragraph (2)— (a) the amendments made by...

SCHEDULE 40 — Acquisition by company of its own shares

Venture capital trusts

1 In Schedule 15B to the Taxes Act 1988 (venture capital...

Stamp duty and stamp duty reserve tax

2 In section 66 of the Finance Act 1986 (c. 41)...

3 In section 90 of that Act (exemptions from stamp duty...

4 (1) Section 92 of that Act (stamp duty reserve tax:...

5 In Schedule 13 to the Finance Act 1999 (c. 16)...

SCHEDULE 41 — Companies in administration

Accounting period for company in administration

1 (1) Section 12 of the Taxes Act 1988 (corporation tax:...

Responsibility of officers of company in administration

2 (1) Section 108 of the Taxes Management Act 1970 (c....

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Tax on companies in administration

3 After section 342 of the Taxes Act 1988 (tax on...

Debit for bad debt where parties connected and creditor insolvent

4 (1) Paragraph 6A of Schedule 9 to the Finance Act...

Commencement

5 (1) Subject to sub-paragraph (2), this Schedule has effect in...

SCHEDULE 42 — Controlled foreign companies: exempt activities

Introductory

1 Part 2 of Schedule 25 to the Taxes Act 1988...

Companies engaged in wholesale, distributive, financial or service business

2 (1) Paragraph 6 (meaning of “engaged in exempt activities”) is...

Companies engaged in business of banking etc

3 (1) Paragraph 11 (provisions relating to wholesale, distributive, financial or...

Interpretation of paragraph 6(2B)

4 After paragraph 11 insert— (1) This paragraph has effect for the interpretation of paragraph...

SCHEDULE 43 — Repeals

Part 1 — EXCISE DUTIES

1 The repeal of section 5A has effect in accordance with...

2 The repeals in section 5C have effect in accordance with...

Part 2 — VALUE ADDED TAX

Part 3 — INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

1 The repeals in sections 432A, 436, 439B and 441(4)(a) of...

2 The repeals in section 432E of the Taxes Act 1988...

3 The repeals in section 438B of, and in Schedule 28AA...

4 The repeal in section 442A of the Taxes Act 1988...

5 The repeal in section 83(8) of the Finance Act 1989...

Status: Point in time view as at 01/04/2009.

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- 6 The repeals in section 87 of the Finance Act 1989,...
- 7 The repeal of section 45(5) of the Finance Act 1990...
- 8 The repeals in section 213 of the Taxation of Chargeable...
- 1 The repeal in section 1A of the Taxes Act 1988...
- 2 The repeal of section 540(2) of that Act has effect...
- 3 The repeal in Schedule 15 to that Act has effect...

- 1 The repeals in the Taxes Act 1988 have effect in...
- 2 The repeal in the Finance Act 1996 has effect in...

Part 4 — OTHER TAXES

Part 5 — MISCELLANEOUS

Status:

Point in time view as at 01/04/2009.

Changes to legislation:

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