

SCHEDULES

SCHEDULE 6

Section 31

DORMANT ASSETS

Amendment to TCGA 1992

- 1 For section 26A of TCGA 1992 (transfer of dormant bank or building society account) substitute—

“26A Transfers in respect of dormant assets

- (1) This section applies where there is a transfer in respect of a dormant asset.
- (2) There is a transfer in respect of a dormant asset where an amount is transferred by an institution in respect of an asset—
 - (a) to an authorised reclaim fund, with the result that section 1 of the 2008 Act or section 2, 5, 8, 12 or 14 of the 2022 Act applies in relation to the asset, or
 - (b) to an authorised reclaim fund and one or more charities, with the result that section 2 of the 2008 Act applies in relation to the asset.
- (3) For the purposes of this Act—
 - (a) the transfer is not to be treated as involving any acquisition or disposal of the asset, and
 - (b) rights which a person (“P”) acquires under Part 1 of the 2008 Act or Part 1 or sections 22 to 25 of the 2022 Act (as the case may be) after the transfer are to be treated as the same asset as the original rights, acquired as the original rights were acquired and having the same characteristics as those rights.
- (4) In this section—
 - “the 2008 Act” means the Dormant Bank and Building Society Accounts Act 2008;
 - “the 2022 Act” means the Dormant Assets Act 2022;
 - “asset” means an asset within the scope of the dormant assets scheme (see section 1(6) of the 2022 Act);
 - “authorised reclaim fund” has the same meaning as in the Dormant Assets Acts 2008 to 2022;
 - “the original rights” are P’s rights against the institution immediately before the transfer.”

Amendment to FA 2008

- 2 For section 39 of FA 2008 (dormant bank and building society accounts) substitute—

Status: This is the original version (as it was originally enacted).

“39 Dormant assets

- (1) The Commissioners for Her Majesty’s Revenue and Customs may by regulations—
- (a) modify Chapters 2 and 3 of Part 15 of ITA 2007 (deduction of income tax on interest payments at source) in relation to interest paid or credited in respect of a relevant dormant asset, and
 - (b) provide that, for the purposes of Chapter 2 of Part 4 of ITTOIA 2005 (charge to income tax on interest), such interest is to be treated as not being paid until the time (if any) at which the balance of the dormant asset is paid out following a claim made by virtue of—
 - (i) section 1(2)(b) or 2(2)(b) of the 2008 Act, or
 - (ii) section 2(2)(b), 5(2)(b), 5(3)(b), 8(2)(b), 12(2)(b), 14(2)(b) or 22(1) of the 2022 Act.
- (2) A relevant dormant asset is an asset in respect of which an amount is to be, or has been, transferred by an institution—
- (a) to an authorised reclaim fund, with the result that section 1 of the 2008 Act or section 2, 5, 8, 12 or 14 of the 2022 Act applies in relation to the asset, or
 - (b) to an authorised reclaim fund and one or more charities, with the result that section 2 of the 2008 Act applies in relation to the asset.
- (3) Interest paid or credited in respect of a relevant dormant asset includes interest paid or credited by a person who administers the asset on behalf of an authorised reclaim fund after the balance has been transferred.
- (4) In this section—
- “the 2008 Act” means the Dormant Bank and Building Society Accounts Act 2008;
- “the 2022 Act” means the Dormant Assets Act 2022;
- “asset” means an asset within the scope of the dormant assets scheme (see section 1(6) of the 2022 Act);
- “authorised reclaim fund” has the same meaning as in the Dormant Assets Acts 2008 to 2022.”

Amendments to the Income Tax (Deposit-takers and Building Societies) (Interest Payments) Regulations 2008 (S.I. 2008/2682)

- 3 (1) The Income Tax (Deposit-takers and Building Societies) (Interest Payments) Regulations 2008 (S.I. 2008/2682) are amended in accordance with subparagraphs (2) to (4).
- (2) In regulation 2 (interpretation)—
- (a) the existing text becomes paragraph (1);
 - (b) in that paragraph, before the definition of “certificate” insert—

““authorised reclaim fund” has the same meaning as in the Dormant Assets Acts 2008 to 2022;”;
 - (c) in that paragraph, for the definition of “relevant dormant account” substitute—

““relevant dormant asset” means—

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

- (a) a dormant account the balance of which is to be, or has been, transferred—
 - (i) to an authorised reclaim fund, with the result that section 1 of the Dormant Bank and Building Society Accounts Act 2008 applies in relation to the account, or
 - (ii) to an authorised reclaim fund and one or more charities, with the result that section 2 of the Dormant Bank and Building Society Accounts Act 2008 applies in relation to the account, or
 - (b) a dormant asset (within the meaning of section 1(6) of the Dormant Assets Act 2022) the balance of which is to be, or has been, transferred to an authorised reclaim fund with the result that section 2, 8, 12 or 14 of that Act applies in relation to it;”;
 - (d) in that paragraph, for the definition of “repayment claim” substitute—
 - ““repayment claim” means a claim made by virtue of—
 - (a) section 1(2)(b) or 2(2)(b) of the Dormant Bank and Building Society Accounts Act 2008, or
 - (b) section 2(2)(b), 8(2)(b), 12(2)(b) or 14(2)(b) of the Dormant Assets Act 2022.”;
 - (e) after that paragraph insert—
 - “(2) Terms used in regulations 4A and 4B and in the Dormant Assets Acts 2008 to 2022 (apart from “repayment claim”) have the same meaning in those regulations as in those Acts.”
- (3) In regulation 4A (dormant accounts - postponement of obligation to deduct sum representing income tax)—
- (a) in the heading, for “accounts” substitute “asset”;
 - (b) in each place it occurs, for “account” substitute “asset”.
- (4) In regulation 4B, in both places it occurs for “account” substitute “asset”.

Exemption for reclaim amounts in respect of individual investment plans

- 4 (1) An amount is exempt from income tax and capital gains tax if and to the extent that—
- (a) it is paid out of an authorised reclaim fund in respect of a relevant dormant asset, and
 - (b) the amount transferred to the fund in respect of the asset was an amount owing to a person by virtue of an investment to which regulations under Chapter 3 of Part 6 of ITTOIA 2005 (exemption for income from individual investment plans) applied.
- (2) In this paragraph—
- “authorised reclaim fund” has the same meaning as in the Dormant Assets Acts 2008 to 2022;
 - “relevant dormant asset” has the same meaning as in section 39(2) of FA 2008 (as substituted by paragraph 2).

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

Power to make provision for the purposes of the Income Tax Acts and TCGA 1992 in relation to dormant assets

- 5 (1) The Treasury may by regulations make provision for the purposes of any provision of the Income Tax Acts or TCGA 1992 in relation to the dormant assets scheme (within the meaning of the Dormant Assets Acts 2008 to 2022).
- (2) Regulations under sub-paragraph (1) may, among other things—
- (a) amend any provision of the Income Tax Acts or TCGA 1992 (including section 26A of that Act as substituted by paragraph 1);
 - (b) disapply any provision made by or under those Acts;
 - (c) provide for any provision made by or under those Acts to have effect with modifications specified in the regulations.
- (3) Regulations under sub-paragraph (1) may make provision having effect in relation to times before the regulations are made.
- (4) Regulations under sub-paragraph (1) may—
- (a) make different provision for different purposes, and
 - (b) make supplementary, incidental, consequential or transitional or saving provision.
- (5) The power conferred by sub-paragraph (1) is not exercisable after 31 December 2023.

Commencement

- 6 This Schedule comes into force on such day as the Treasury may by regulations appoint.