



# Finance Act 2008

## CHAPTER 9

### FINANCE ACT 2008

#### PART 1

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- 1 Charge and main rates for 2008-09
- 2 Personal allowance for those aged under 65
- 3 Personal allowances for those aged 65 and over
- 4 Basic rate limit
- 5 Abolition of starting and savings rates and creation of starting rate for savings

###### *Corporation tax*

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- 8 Rate etc
- 9 Entrepreneurs' relief

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- 10 Transfer of unused nil-rate band etc

###### *Alcohol and tobacco*

- 11 Rates of alcoholic liquor duty
- 12 Rates of tobacco products duty

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### *Fuel duties*

- 13 Rates and rebates: simplification
- 14 Biodiesel and bioblend
- 15 Rates and rebates: increase from 1 October 2008
- 16 Fuel for aircraft and boats, heating oil and fuel for certain engines

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- 17 Rates of vehicle excise duty
- 18 Standard rate of landfill tax
- 19 Rates of climate change levy
- 20 Rate of aggregates levy
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- 40B Meaning of “mutual fund” etc
- 40C Umbrella arrangements

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- 40D Arrangements comprising more than one class of interest
- 40E Meaning of “mutual fund”: exceptions
- 40F Meaning of “relevant income-producing assets”
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- 50 Employment-related securities: repeal of obsolete provisions
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- 66 Repeal of obsolete anti-avoidance provisions

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**PART 9**

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SCHEDULES

SCHEDULE 1 — Abolition of starting and savings rates and creation of starting rate for savings

Part 1 — AMENDMENTS OF ITA 2007

- 1 ITA 2007 is amended as follows.
- 2 For section 7 (savings rate) substitute— The starting rate for...
- 3 (1) Section 10 (income charged at main rates: individuals) is...
- 4 In section 11(2) (income charged at the basic rate: persons...
- 5 For section 12 substitute— Income charged at the starting rate...
- 6 In section 13 (income charged at dividend ordinary and dividend...
- 7 In section 16(1) (savings and dividend income to be treated...
- 8 (1) Section 17 (repayment: tax paid at basic rate instead...
- 9 For the heading before section 20 substitute— “ Indexation of...
- 10 Omit section 20 (starting rate limit and basic rate limit)...
- 11 (1) Section 21 (indexation of starting and basic rate limits)...
- 12 In section 31(2), omit “or savings rate”.
- 13 (1) Section 158 (form and amount of EIS relief) is...
- 14 In section 209(3) (withdrawal or reduction of EIS relief: disposal...
- 15 In section 210(1)(b) (cases where maximum EIS relief not obtained),...
- 16 In section 213(2) (withdrawal or reduction of EIS relief: value...
- 17 In section 220(1)(b) (cases where maximum EIS relief not obtained),...
- 18 In section 224(2) (withdrawal or reduction of EIS relief: repayments...
- 19 In section 229(1)(b) (cases where maximum EIS relief not obtained),...
- 20 In section 414(2) (relief for gifts to charity), for “section...
- 21 In section 486(1) (how allowable expenses are to be set...
- 22 (1) Section 498 (types of income tax for purposes of...
- 23 In section 504(3) (treatment of income of unauthorised unit trust),...
- 24 In section 745(1) (rates of tax applicable to income charged...
- 25 In section 851(2) (deduction by deposit-takers and building societies), for...
- 26 In section 874(2) (deduction from payments of yearly interest), for...
- 27 In section 889(4) (deduction from payments in respect of building...
- 28 In section 892(2) (deduction from UK public dividends), for “savings...



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- 29 In section 901(4) (deduction from annual payments made by other...
  - 30 Omit section 902 (meaning of “applicable rate” in section 901)....
  - 31 In section 919(2) (manufactured interest on UK securities: payments by...
  - 32 In section 939(2) (duty to retain bonds where issue treated...
  - 33 (1) Section 989 (definitions) is amended as follows.
  - 34 In section 1014(5)(b)(i) (orders and regulations not subject to annulment),...
  - 35 In Schedule 1 (consequential amendments), omit paragraphs 85(2), 86, 112,...
  - 36 (1) Schedule 4 (index of defined expressions) is amended as...
- Part 2 — OTHER AMENDMENTS

#### *TMA 1970*

- 37 TMA 1970 is amended as follows.
- 38 In section 7(6) (notice of liability to income tax and...
- 39 In section 91(3)(c) (effect of interest on reliefs), for “,...

#### *ICTA*

- 40 ICTA is amended as follows.
- 41 In section 468(1A) (authorised unit trusts), for “savings rate” substitute...
- 42 In section 468A(1) (open-ended investment companies), for “savings rate” substitute...
- 43 In section 552(5)(f)(i) (information: duty of insurers), for “savings rate”...
- 44 In section 699A(4)(b) (untaxed sums comprised in the income of...
- 45 In section 701(3A) (estates of deceased persons in administration), omit —...
- 46 Omit section 789(2) (double taxation arrangements made under old law:...

#### *FA 1989*

- 47 In section 88(1) of FA 1989 (insurance companies: policy holders'...

#### *TCGA 1992*

- 48 In section 150A(3)(b) of TCGA 1992 (enterprise investment schemes), for...

#### *FA 1996*

- 49 Omit paragraph 21 of Schedule 6 to FA 1996 (which...

#### *ITTOIA 2005*

- 50 ITTOIA 2005 is amended as follows.
- 51 In section 465A(1)(b) (gains from contracts for life insurance etc:...
- 52 In section 466(2) (gains from contracts for life insurance etc:...
- 53 In section 467(7) (gains from contracts for life insurance etc:...
- 54 (1) Section 530 (gains from contracts for life insurance etc:...
- 55 In section 535(3) (gains from contracts for life insurance etc:...
- 56 In section 536(1) (gains from contracts for life insurance etc:...

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- 57 In section 537 (gains from contracts for life insurance etc:...
- 58 In section 539(5) (gains from contracts for life insurance etc:...
- 59 In section 669(3)(a)(i) (reduction in residuary income: inheritance tax on...
- 60 In section 679(3) (income from which basic amounts are treated...
- 61 In section 680(4) (income treated as bearing income tax), for...
- 62 (1) Section 680A (income treated as savings income or dividend...
- 63 (1) Schedule 4 (index of defined expressions) is amended as...

*F(No.2)A 2005*

- 64 In section 7(5) of F(No.2)A 2005 (charge to income tax...  
Part 3 — COMMENCEMENT
- 65 Apart from the amendments made by paragraph 11, the amendments...

SCHEDULE 2 — Capital gains tax reform

*Rate: consequential*

- 1 TCGA 1992 is amended as follows.
- 2 In section 2(7)(a) (chargeable gains and allowable losses), omit “77...
- 3 Omit section 6 (rates: special cases).
- 4 In section 13(7A) (attribution of gains to members of non-resident...
- 5 Omit sections 77 to 79 (charge on settlor with interest...
- 6 Omit section 88(6) (gains of dual resident settlements: sections 77...
- 7 (1) Schedule 4A (disposal of interest in settled property: deemed...
- 8 (1) Schedule 4B (transfers of value by trustees linked with...
- 9 Omit paragraph 6(3) of Schedule 4C (attribution of gains to...
- 10 In paragraph 1(1) of Schedule 5 (construction of section 86(1)(e)),...
- 11 Chapter 4 of Part 2 of FA 2005 (trusts with...
- 12 In section 23(4) (introduction), for “33” substitute “ 32 ”....
- 13 In section 26(1) (income tax: amount of relief), in the...
- 14 (1) Section 28 (vulnerable person's liability: VQTI) is amended as...
- 15 In section 30 (qualifying trust gains: special capital gains tax...
- 16 (1) Section 31 (UK resident vulnerable persons: section 77 treatment)...
- 17 (1) Section 32 (non-UK resident vulnerable persons: amount of relief)...
- 18 Omit section 33 (non-UK resident vulnerable person's liability: VQTG).
- 19 In section 41(3) (interpretation), for “33” substitute “ 32 ”....
- 20 (1) Schedule 1 (non-UK resident vulnerable persons: interpretation) is amended...
- 21 In consequence of section 8 and paragraphs 1 to 20,...
- 22 The amendments made by paragraphs 1 to 21 have effect...

*Abolition of taper relief*

- 23 TCGA 1992 is amended as follows.
- 24 (1) Section 2 (chargeable gains and allowable losses) is amended...
- 25 Omit section 2A (taper relief).
- 26 (1) Section 3 (annual exempt amount) is amended as follows....
- 27 In section 3A(2) (reporting limits)— (a) omit paragraph (a), and...
- 28 Omit section 13(10A) (attribution of gains to members of non-resident...
- 29 (1) Section 62 (death) is amended as follows
- 30 In section 86(1)(e) (attribution of gains to settlors with interest...
- 31 (1) Section 86A (attribution of gains to settlor in section...

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- 32 Omit section 150D (enterprise investment scheme: application of taper relief)...
- 33 In subsection (8) of section 165 (relief for gifts of...
- 34 After that section insert— Meaning of “holding company”, “trading company”...
- 35 Omit section 214C (re-organisations of mutual business: gains not eligible...
- 36 In section 228(8) (relief for employee share ownership trusts), for...
- 37 In section 241(3A) (furnished holiday lettings), omit “Schedule A1 (taper...
- 38 In section 253(14)(b) (relief for loans to traders), for “meaning...
- 39 Omit section 261C(2)(a) (treating trading loss etc as CGT loss:...
- 40 In section 279(2)(a) (foreign assets: delayed remittances), omit “(before the...
- 41 In section 279A(7)(b) (deferred unascertainable consideration: election for treatment of...
- 42 In section 279B(1) (provisions supplementary to section 279A), for paragraph...
- 43 (1) Section 279C (effect of election under section 279A) is...
- 44 Omit section 284B(1) (provisions supplementary to section 284A).
- 45 Omit Schedule A1 (taper relief).
- 46 Schedule 4C (transfers of value: attribution of gains to beneficiaries)...
- 47 (1) Paragraph 6 (gains attributed to settlor) is amended as...
- 48 Omit paragraph 11 (taper relief).
- 49 Omit Schedule 5BA (application of taper relief to enterprise investment...
- 50 Omit paragraph 15 of Schedule 7D (enterprise management incentives).
- 51 In paragraph 45D(7) of Schedule 26 to FA 2002 (derivative...
- 52 In paragraph 86(2) of Schedule 7 to ITEPA 2003 (transitionals...
- 53 Omit section 185G(3)(c) of FA 2004 (disposal by person holding...
- 54 Omit section 161(5) of ITA 2007 (other tax reliefs relating...
- 55 In consequence of paragraphs 23 to 54, omit—
- 56 (1) The amendments made by paragraph 31(2) and (3) have...

#### *Abolition of “kink” test*

- 57 TCGA 1992 is amended as follows.
- 58 (1) Section 35 (assets held on 31 March 1982) is...
- 59 After that section insert— Disposal of asset acquired on no...
- 60 In section 55(5) (indexation allowance: assets acquired on no gain/no...
- 61 In section 73(1) (death of life tenant: exclusion of chargeable...
- 62 In section 175(2C) (replacement of business assets by member of...
- 63 In section 288 (interpretation), after subsection (3) insert—
- 64 (1) Schedule 2 (assets held on 6 April 1965) is...
- 65 (1) Schedule 3 (assets held on 31 March 1982) is...
- 66 In paragraph 7 of Schedule 4 (deferred charges on pre-31...
- 67 In paragraph 7 of Schedule 4ZA (sub-fund settlements), for “sections...
- 68 In paragraph 12(b) of Schedule 7A (restriction on set-off or...
- 69 (1) FA 1997 is amended as follows.
- 70 In consequence of paragraphs 57 to 69, omit—
- 71 The amendments made by paragraphs 57 to 70 have effect...

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### *Abolition of “halving relief”*

- 72 TCGA 1992 is amended as follows.  
 73 In section 36 (reduction of deferred charges where wholly or...  
 74 (1) Schedule 4 (deferred charges on pre-31 March 1982 gains)...  
 75 In consequence of paragraph 74, omit paragraph 43 of Schedule...  
 76 The amendments made by paragraphs 72 to 75 have effect...

### *Abolition of indexation allowance*

- 77 TCGA 1992 is amended as follows.  
 78 At the beginning of Chapter 4 of Part 2 (indexation...  
 79 In section 53 (indexation allowance), omit— (a) subsection (1A), and...  
 80 (1) Section 54 (calculation of indexation allowance) is amended as...  
 81 (1) Section 145 (call options: indexation allowance) is amended as...  
 82 In consequence of the amendments made by paragraphs 77 to...  
 83 The amendments made by paragraphs 77 to 82 have effect...

### *Simplification of pooling etc*

- 84 TCGA 1992 is amended as follows.  
 85 (1) Section 104 (share pooling: general interpretative provisions) is amended...  
 86 In section 105 (disposal on or before day of acquisition),...  
 87 (1) Section 106A (identification of securities: general rules for capital...  
 88 In the heading of section 107 (identification of securities etc:...  
 89 In the heading of section 108 (identification of relevant securities),...  
 90 (1) Section 109 (pre-April 1982 share pools) is amended as...  
 91 For the heading of section 110 substitute “ Indexation for...  
 92 Omit section 110A (indexation for section 104 holdings: CGT).  
 93 In the heading of section 112 (parallel pooling regulations), insert...  
 94 (1) Section 113 (calls on shares) is amended as follows...  
 95 (1) Section 114 (consideration for options) is amended as follows...  
 96 In FA 1998, omit— (a) section 123(1) and (2), and...  
 97 Chapter 6 of Part 4 of ITA 2007 (losses on...  
 98 (1) Section 147 (limits on share loss relief) is amended...  
 99 (1) Section 148 (disposal of shares forming part of mixed...  
 100 The amendments made by paragraphs 84 to 99 have effect...

### *Meaning of “tax year”*

- 101 (1) Section 288 of TCGA 1992 (interpretation) is amended as...  
 102 In consequence of the amendments made by paragraph 101, omit—...

## SCHEDULE 3 — Entrepreneurs' relief

### *Introduction*

- 1 TCGA 1992 is amended as follows.

### *Main provisions*

- 2 In Part 5 (transfer of business assets), after section 169G...

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*Other amendments*

- 3 In section 241(3A) (furnished holiday lettings), after the entry relating...
- 4 In paragraph 1(1)(b) of Schedule 5B (enterprise investment scheme: re-investment),...

*Commencement*

- 5 The amendments made by this Schedule have effect in relation...

*Transitionals: section 169P(4)(d)*

- 6 Section 169P of TCGA 1992 has effect in a case...

*Transitionals: reorganisations*

- 7 (1) This paragraph applies where, by virtue of section 116(10)(b),...

*Transitionals: EIS and VCT*

- 8 (1) This paragraph applies where there is a relevant chargeable...

SCHEDULE 4 — Inheritance tax: transfer of nil-rate band etc

*Amendments of IHTA 1984*

- 1 IHTA 1984 is amended as follows.
- 2 After section 8 insert— Transfer of unused nil-rate band between...
- 3 In section 147 (Scotland: legitim etc), insert at the end—...
- 4 (1) Section 151BA (rates of charge under section 151B) is...
- 5 In section 239(4) (certificates of discharge: cases where further tax...
- 6 In section 247(2) (tax-gearred penalty), after “liable” insert “ ,...
- 7 In section 272 (general interpretation), insert at the appropriate place —...

*Amendment of TCGA 1992*

- 8 In section 274 of TCGA 1992 (value determined for inheritance...

*Commencement*

- 9 (1) The amendments made by paragraphs 2, 3 and 4(4)...

*Modifications for cases where deceased person died before 25 July 1986*

- 10 (1) Section 8A of IHTA 1984 (as inserted by paragraph...
- 11 (1) Section 8C of IHTA 1984 (as inserted by paragraph...

SCHEDULE 5 — Fuel duty: biodiesel and bioblend

- 1 HODA 1979 is amended as follows.
- 2 (1) Section 1 (hydrocarbon oil) is amended as follows.
- 3 (1) Section 2A (power to amend definitions) is amended as...
- 4 In section 6AA (excise duty on biodiesel), after subsection (3)...
- 5 In section 6AB (excise duty on bioblend), for subsections (3)...
- 6 In section 8 (excise duty on road fuel gas)—
- 7 In section 10 (restrictions on use of duty-free oil), omit...
- 8 In section 12 (rebate not allowed on fuel for road...

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- 9 In section 13 (penalties for misuse of rebated heavy oil),...
- 10 In section 13AA (restrictions on use of rebated kerosene), omit...
- 11 In section 13AB (penalties for misuse of kerosene), omit subsections...
- 12 In section 14 (rebate on light oil for use as...
- 13 After that section insert— Rebate on biodiesel used other than...
- 14 Omit section 17A (repayment of part of duty where biodiesel...
- 15 (1) Section 20A (mixing: adjustment of duty) is amended as...
- 16 (1) Section 20AAA (mixing of rebated oil) is amended as...
- 17 In section 20AA(1) (power to allow reliefs), after “12(2)” (in...
- 18 Before section 21 (but after the heading “Administration and enforcement”)...
- 19 In section 23 (prohibition on use etc of road fuel...
- 20 (1) Section 24 (control of duty-free and rebated oil) is...
- 21 In section 24A (penalties for misuse of marked oil), omit...
- 22 (1) Section 27 (interpretation) is amended as follows.
- 23 In Schedule 4 (regulations under section 24), omit—
- 24 In Schedule 5 (sampling), in paragraph 3(1), omit “of oil”....
- 25 In consequence of the amendments of HODA 1979, omit—
- 26 The amendments made by this Schedule are treated as having...

## SCHEDULE 6 — Aircraft and boat fuel, heating oil and fuel used for certain engines

### Part 1 — FUEL USED IN AIRCRAFT AND BOATS

#### *Aviation gasoline*

- 1 HODA 1979 is amended as follows.
- 2 In section 1 (hydrocarbon oil), after subsection (3C) insert—
- 3 In section 2A(1) (power to amend definitions), before paragraph (a)...
- 4 (1) Section 6 (hydrocarbon oil: rates of duty) is amended...
- 5 In section 24(1) (control of use of duty-free and rebated...
- 6 In section 27(1) (interpretation), in the definition of “aviation gasoline”,...
- 7 In Schedule 3 (regulations under section 21), omit paragraph 10A....
- 8 In consequence of the amendments made by paragraphs 2 to...

#### *Kerosene used for aviation (avtur)*

- 9 HODA 1979 is amended as follows.
- 10 In the heading of section 13AB, for “misuse of kerosene”...
- 11 After that section insert— Use of rebated kerosene for private...

#### *Fuel for private pleasure craft*

- 12 HODA 1979 is amended as follows.
- 13 (1) Section 14A (rebate on biodiesel used other than as...
- 14 (1) Section 14C (restrictions on use of rebated biodiesel and...
- 15 After section 14D insert— Rebated heavy oil and bioblend: private...
- 16 In section 24(1) (control of use of duty-free and rebated...

#### *Consequential amendments*

- 17 FA 1994 is amended as follows.
- 18 In section 12A(3)(c) (other assessment relating to excise duty matters)  
—...

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- 19 In section 12B(2)(f) (section 12A: supplementary provisions)—
- 20 In section 14(1)(ba) (requirement for review of a decision)—

*Commencement etc*

- 21 The amendments made by this Part of this Schedule come...
  - 22 But section 13AC(2) of HODA 1979 does not apply to...
  - 23 And section 14E(2) of that Act does not apply to...
- Part 2 — HEAVY OIL USED FOR HEATING OR AS FUEL FOR CERTAIN ENGINES

*Amendments of HODA 1979*

- 24 HODA 1979 is amended as follows.
- 25 In section 11(1) (rebate on heavy oil), for “13, 13AA...
- 26 In section 12(2) (rebated heavy oil not to be used...
- 27 In the heading of section 13 (penalties for misuse of...
- 28 After that section insert— Rebate on certain heavy oil used...
- 29 In section 20AAA(6)(b) (mixing of rebated oil), before “13AA” insert...
- 30 In section 20AA(1) (power to allow reliefs), after “12(2)” (in...
- 31 In section 24(2) (control of use of duty-free and rebated...
- 32 In section 27(1) (interpretation), in the definition of “rebate”, after...

*Amendments of FA 1994*

- 33 FA 1994 is amended as follows.
- 34 In section 12A(3)(c) (other assessment relating to excise duty matters),...
- 35 In section 12B(2)(f) (section 12A: supplementary provisions), after “13,” insert...
- 36 In section 14(1)(ba) (requirement for review of a decision), after...

*Commencement*

- 37 The amendments made by this Part of this Schedule come...

SCHEDULE 7 — Remittance basis  
Part 1 — MAIN PROVISIONS

*Remittance basis \_general*

- 1 In Part 14 of ITA 2007 (income tax liability: miscellaneous...

*Employment income*

- 2 ITEPA 2003 is amended as follows.
- 3 (1) Section 6 (nature of charge to tax on employment...
- 4 (1) Section 10 (meaning of “taxable earnings” etc) is amended...
- 5 (1) Section 13 (person liable to tax) is amended as...
- 6 For the heading of Chapter 4 of Part 2 substitute...
- 7 In section 14(1) (taxable earnings under Chapter 4: introduction), for...
- 8 For the heading before section 15 substitute “ UK resident...
- 9 (1) Section 15 (earnings for year when employee resident, ordinarily...
- 10 For the title to Chapter 5 of Part 2 substitute...
- 11 (1) Section 20 (taxable earnings under Chapter 5: introduction) is...
- 12 For the heading before section 21 substitute “ Remittance basis...

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- 13 Omit section 21 (earnings for year when employee resident and...
- 14 (1) Section 22 (chargeable overseas earnings for year when employee...
- 15 (1) Section 23 (calculation of chargeable overseas earnings) is amended...
- 16 In section 24(7) (limit on chargeable overseas earnings where duties...
- 17 For the heading before section 25 substitute “ Remittance basis...
- 18 Omit section 25 (UK-based earnings for year when employee resident,...
- 19 (1) Section 26 (foreign earnings for year when employee resident,...
- 20 (1) Section 27 (UK-based earnings for year when employee non-UK...
- 21 Omit sections 31 to 37 (and the heading before section...
- 22 After section 41 insert— Chapter 5A Taxable specific income: effect...
- 23 Omit Chapter 6 of Part 2 (disputes as to domicile...
- 24 In section 225 (payments for restrictive undertakings), for subsections (6)...
- 25 In section 271(2) (limited exemption of removal benefits and expenses:...
- 26 In section 335(4) (application of deductions provisions), omit “, 21,...
- 27 (1) Section 370 (travel costs and expenses where duties performed...
- 28 (1) Section 371 (travel costs and expenses where duties performed...
- 29 (1) Section 378 (deduction from seafarer's earnings: eligibility) is amended...
- 30 (1) Section 413 (exception in certain cases of foreign service)...
- 31 In section 421E(1) (income relating to securities: exclusions), for the...
- 32 In section 446N (securities subject to restriction during relevant period),...
- 33 In section 474(1) (securities options: exclusions), for the words from...
- 34 In section 540(2) (EMI: taxable benefits), for the words from...
- 35 In section 690 (PAYE: employee non-UK resident etc), after subsection...
- 36 In section 698 (PAYE: special charges on employment-related securities), after...
- 37 In section 700 (PAYE: gains from securities options), after subsection...
- 38 After that section insert— Employment-related securities etc: remittance basis (1) This section applies if— (a) section 698 or 700...
- 39 In section 721(1) (other definitions), for the definition of “foreign...
- 40 In Schedule 1 (index of defined expressions), omit the entries...
- 41 In paragraph 8 of Schedule 2 (approved share incentive plans:...
- 42 In paragraph 6(2) of Schedule 3 (approved SAYE option schemes:...
- 43 In paragraph 27(2) of Schedule 5 (enterprise management incentives: meaning...
- 44 In Schedule 7 (transitionals and savings), omit paragraphs 9 to...

#### *Relevant foreign income*

- 45 In section 575 of ITEPA 2003 (foreign pensions: taxable pension...
- 46 ITTOIA 2005 is amended as follows.
- 47 In section 260(1) (overview of Part 3)—
- 48 In section 269 (territorial scope of charge to tax), omit...
- 49 Omit Chapter 11 of Part 3 (overseas property income).
- 50 In section 829 (overview of Part 8), for paragraph (a)...
- 51 (1) Section 830 (meaning of “relevant foreign income”) is amended...
- 52 Omit section 831 (claims for relevant foreign income to be...



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- 53 For section 832 substitute— Relevant foreign income charged on remittance...
- 54 Omit sections 833 to 837.

#### *Chargeable gains*

- 55 TCGA 1992 is amended as follows.
- 56 (1) Section 3 (annual exempt amount) is amended as follows....
- 57 In section 3A (reporting limits), after subsection (5) insert—
- 58 In section 9 (residence etc), omit subsection (2).
- 59 In section 10A (temporary non-residents), after subsection (9) insert—
- 60 For section 12 substitute— Non-UK domiciled individuals to whom remittance...
- 61 In section 16 (computation of losses), omit subsection (4).
- 62 After that section insert— Losses: non-UK domiciled individuals (1) In this section “the relevant tax year”, in relation...
- 63 In section 119A (increase in expenditure by reference to tax...
- 64 After that section insert— Section 119A: unremitted foreign securities income...

#### *Minor and consequential amendments*

- 65 In section 33(2A) of TMA 1970 (error or mistake)—
- 66 ITTOIA 2005 is amended as follows.
- 67 In section 839 (annual payments payable out of relevant foreign...
- 68 In section 840 (relief for backdated pensions charged on arising...
- 69 After that section insert— Claims under section 840 (1) A claim under section 840 must be made on...
- 70 (1) Section 857 (partners to whom the remittance basis may...
- 71 In section 878 (definitions), omit subsection (2).
- 72 In Schedule 2 (transitional provision etc), omit paragraphs 150 and...
- 73 In Part 2 of Schedule 4 (index of defined expressions),...
- 74 ITA 2007 is amended as follows.
- 75 In section 2(14) (overview of Act), before paragraph (a) insert—...
- 76 In section 34 (personal allowances etc: introduction), after subsection (2)...
- 77 In section 42 (tax reductions for married couples etc: introduction),...
- 78 In section 460 (residence etc of claimants for relief for...
- 79 In consequence of the amendments made by this Part of...

#### *Commencement*

- 80 The amendments made by paragraphs 3(3), 4(3), 5(2), 22, 31...
- 81 The other amendments made by this Part of this Schedule...

#### *Transitional provision*

- 82 (1) This paragraph applies in relation to an individual's general...
- 83 (1) This paragraph applies to an individual's relevant foreign income...
- 84 (1) This paragraph applies if section 12 of TCGA 1992...
- 85 (1) In section 809E(3)(b) of ITA 2007, the reference to...
- 86 (1) Section 809L of ITA 2007 (meaning of “remitted to...
- 87 Section 809N of ITA 2007 (section 809L: gift recipients, qualifying...
- 88 Section 809O of ITA 2007 (section 809L: dealings where there...
- 89 Sections 809Q to 809S of ITA 2007 (transfers from mixed...

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- 90 (1) This paragraph applies if— (a) before 12 March 2008,...
- 91 (1) This paragraph applies in relation to employment-related securities if

—...

Part 2 — NON-RESIDENT COMPANIES AND TRUSTS ETC

*Offshore income gains*

- 92 .....  
93 .....  
94 .....  
95 .....  
96 .....  
97 In section 734 of ITA 2007 (reduction in amount charged:...

*Offshore income gains: commencement etc*

- 98 The amendments made by paragraphs 92 to 97 have effect...
- 99 Paragraphs 120 and 121 apply in relation to offshore income...
- 100 (1) This paragraph applies if— (a) by virtue of section...
- 101 (1) This paragraph applies if— (a) the trustees of a...
- 102 (1) This paragraph applies if— (a) in the tax year...

*Attribution of gains to members of non-resident companies*

- 103 In section 13(2) of TCGA 1992 (attribution of gains to...
- 104 After section 14 of that Act insert— Section 13: non-UK...
- 105 The amendments made by paragraphs 103 and 104 have effect...

*Attribution of gains to beneficiaries*

- 106 TCGA 1992 is amended as follows.
- 107 In section 85(11) (disposal of interests in non-resident settlements), for...
- 108 For section 87 substitute— Non-UK resident settlements: attribution of gains...
- 109 (1) Section 88 (gains of dual resident settlements) is amended...
- 110 (1) Section 89 (migrant settlements) is amended as follows.
- 111 For section 90 substitute— Sections 87 and 89(2): transfers between...
- 112 (1) Section 91 (increase in tax payable under section 87...
- 113 Omit sections 92 to 95 (matching).
- 114 Omit— (a) in FA 1998, section 130(1) and (4), and...

*Attribution of gains to beneficiaries: commencement etc*

- 115 The amendments made by paragraphs 106 to 114 have effect...
- 116 For the purposes of sections 87 and 87A of TCGA...
- 117 In the application of section 87 of TCGA 1992 for...
- 118 (1) This paragraph applies if— (a) section 87 of TCGA...
- 119 Section 87C of TCGA 1992 does not apply in relation...
- 120 (1) This paragraph applies to a settlement if section 87...
- 121 (1) If section 90 of TCGA 1992 (as originally enacted)...
- 122 (1) If all of a capital payment would (in the...
- 123 Section 89(2) of TCGA 1992 as substituted applies to a...
- 124 (1) This paragraph applies if— (a) chargeable gains are treated...
- 125 (1) This paragraph applies in relation to a settlement for...
- 126 (1) The following provisions apply to a settlement if—

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127 (1) This paragraph applies if— (a) in the tax year...

*Attribution of gains to beneficiaries: cases involving transfers of value*

128 TCGA 1992 is amended as follows.

129 (1) Section 85A (transfers of value: attribution of gains to...

130 In paragraph 3 of Schedule 4B (transfers of value by...

131 Schedule 4C (transfers of value: attribution of gains to beneficiaries)...

132 In paragraph 1, for sub-paragraphs (2) and (3) substitute—

133 After that paragraph insert— Outstanding section 2(2) amounts (1) The following steps are to be taken for the...

134 In paragraph 4(2) (chargeable amount: non-resident settlement), at the end...

135 In paragraph 5(2)(a) (chargeable amount: dual resident settlement), after “apply”...

136 Omit paragraph 7A (and the heading before it).

137 For paragraph 7B substitute— (1) This paragraph applies if the trustees of the transferor...

138 For paragraph 8 substitute— (1) Chargeable gains are treated as accruing in a tax...

139 After paragraph 8A insert— Attribution of gains: remittance basis Section 87B (remittance basis) applies in relation to chargeable gains...

140 Omit paragraphs 8B and 8C (including the heading before paragraph...

141 For paragraph 9 (and the heading before it) substitute— Attribution...

142 In paragraph 10 (residence of trustees from whom capital payment...

143 (1) Paragraph 12 (attribution of gains to settlor in section...

144 In paragraph 12A(3), for “87(4)” substitute “ 87(2) ”.

145 (1) Paragraph 13 (increase in tax payable under this Schedule)...

146 Omit paragraph 3 and 6(2) and (3) of Schedule 29...

*Attribution of gains to beneficiaries in cases involving transfers of value: commencement etc*

147 The amendments made by paragraphs 128 to 146 have effect...

148 For the purposes of paragraph 8 of Schedule 4C to...

149 A capital payment received before 6 April 2008 is not...

150 Paragraph 124 applies in relation to chargeable gains treated under...

151 (1) This paragraph applies for the tax year 2008-09 or...

*Attribution of gains to beneficiaries: existing Schedule 4C pools*

152 Schedule 4C to TCGA 1992 (as it has effect without...

153 Any reduction in the amount of a capital payment has...

154 (1) If all of a capital payment ceases (in the...

155 In any tax year— (a) Schedule 4C to TCGA 1992...

*Transfers of securities: accrued income profits*

156 In section 830(4) of ITTOIA 2005 (meaning of “relevant foreign...

157 In section 617 of ITA 2007 (accrued income profits: income...

158 Omit section 644 of that Act (accrued income profits: individuals...

159 After section 670 of that Act insert— Individuals to whom...

160 The amendments made by paragraphs 156 to 159 have effect...

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### *Transfers of assets abroad*

- 161 . . . . .
- 162 In section 830(4) of ITTOIA 2005 (meaning of “relevant foreign...  
163 ITA 2007 is amended as follows.  
164 In section 720(4) (transfer of assets abroad: charge where power...  
165 For section 726 substitute— Non-UK domiciled individuals to whom  
remittance...  
166 In section 727 (transfer of assets abroad: charge where capital...  
167 For section 730 substitute— Non-UK domiciled individuals to whom  
remittance...  
168 In section 731 (transfer of assets abroad: charge where benefit...  
169 For section 735 substitute— Non-UK domiciled individuals to whom  
remittance...  
170 The amendments made by paragraphs 161 to 169 have effect...

### *General*

- 171 For the purposes of this Part of this Schedule, the...  
172 (1) Sub-paragraph (2) has effect for the purposes of— paragraphs...

## SCHEDULE 8 — Rates of research and development relief and vaccine research relief

### *Rates of research and development relief: SMEs*

- 1 (1) Part 2 of Schedule 20 to FA 2000 (giving...

### *Rates of research and development tax relief: large companies*

- 2 (1) In Schedule 12 to FA 2002 (tax relief for...

### *Rates of vaccine research relief*

- 3 (1) Schedule 13 to FA 2002 (vaccine research relief) is...

## SCHEDULE 9 — Companies in difficulty: SME R&D relief and vaccine research relief

### *Research and development relief*

- 1 (1) Schedule 20 to FA 2000 (tax relief for expenditure...

### *Vaccine research relief*

- 2 (1) Schedule 13 to FA 2002 (tax relief for expenditure...

### *Commencement*

- 3 The amendments made by this Schedule have effect in relation...

## SCHEDULE 10 — Cap on R&D aid Part 1 — CALCULATION OF TOTAL R&D AID

### *Calculation of total R&D aid*

- 1 For the purposes of section 29, “total R&D aid”, in...

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- 2 (1) In paragraph 1 “the tax credits” means the aggregate...
- 3 In paragraph 1 “the actual reduction in tax liability” means...
- 4 (1) In paragraph 1 “the potential relief” means the aggregate...
- 5 (1) In paragraph 1 “the notional relief” is the aggregate...

#### *Interpretation*

- 6 In this Schedule “R&D relief” means any relief or tax...

#### *Transitional provision*

- 7 For the purpose of any calculation in accordance with paragraph...  
Part 2 — CONSEQUENTIAL AMENDMENTS
- 8 In Schedule 20 to FA 2000 (tax relief for expenditure...
- 9 In Schedule 12 to FA 2002 (tax relief for expenditure...
- 10 In Schedule 13 to FA 2002 (tax relief for expenditure...

### SCHEDULE 11 — Venture capital schemes

#### *Corporate Venturing Scheme*

- 1 Part 3 of Schedule 15 to FA 2000 (CVS: the...
- 2 In paragraph 26 (excluded activities)— (a) in sub-paragraph (1), after...
- 3 After paragraph 30 insert— Excluded activities: shipbuilding In paragraph 26(1)(ha) “shipbuilding” has the same meaning as in...

#### *Enterprise Investment Scheme*

- 4 Chapter 4 of Part 5 of ITA 2007 (EIS: the...
- 5 In section 192 (meaning of “excluded activities”)—
- 6 After section 196 insert— Excluded activities: shipbuilding In section 192(1)(ia) “shipbuilding” has the same meaning as in...

#### *Venture capital trusts*

- 7 Chapter 4 of Part 6 of ITA 2007 (VCTs: qualifying...
- 8 In section 303 (meaning of “excluded activities”)—
- 9 After section 307 insert— Excluded activities: shipbuilding In section 303(1)(ia) “shipbuilding” has the same meaning as in...

#### *Commencement*

- 10 The amendments made by this Schedule are treated as having...
- 11 But the amendments made by paragraphs 2, 3, 5 and...
- 12 And the amendments made by paragraphs 8 and 9 do...
- 13 For the purposes of paragraph 12(b) “protected money” is—

### SCHEDULE 12 — Tax credit for certain foreign distributions

#### Part 1 — THE TAX CREDIT

- 1 Chapter 3 of Part 4 of ITTOIA 2005 (dividends etc...
- 2 In the heading of the Chapter, for “etc.”, in the...
- 3 In the heading of section 397, after “distributions ”...
- 4 After section 397 insert— Tax credits for distributions of non-UK...
- 5 In section 398(1) (increase in amount or value of dividends...
- 6 In section 399(1) (qualifying distributions received by persons not entitled...

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## Part 2 — CONSEQUENTIAL PROVISION

### *TMA 1970*

- 7 TMA 1970 is amended as follows.
- 8 In section 8(1AA)(b) (personal return: amount payable by way of...
- 9 In section 8A(1AA)(b) (trustee's return: amount payable by way of...
- 10 In section 9(1)(b) (self-assessment of amount payable by way of...
- 11 In section 12AA(1A)(b) (partnership return: amount payable by way of...
- 12 In section 12AB(5) (partnership statement), in the definition of “tax...
- 13 In section 59A(8)(b) (payments on account of income tax), after...
- 14 In section 59B(2)(b) (payment of income tax), after “397(1)” insert...

### *ICTA*

- 15 In section 824(4A)(b) of ICTA (repayment supplements: individuals and others),...

### *FA 1993*

- 16 In section 171(2B) of FA 1993 (Lloyd's underwriters etc :...

### *ITTOIA 2005*

- 17 ITTOIA 2005 is amended as follows.
- 18 In section 403(1) (dividends from non-UK resident companies: income charged),...
- 19 In section 406 (dividends of non-UK resident companies: later charge...
- 20 In section 407 (dividends of non-UK resident companies: dividend payment...
- 21 In section 408 (reduction in tax due in cases within...
- 22 In section 688(1) (income not otherwise charged), omit “full”.

### *ITA 2007*

- 23 ITA 2007 is amended as follows.
- 24 In section 425(5) (gift aid: deductions when calculating total amount...
- 25 In section 504(4)(b) (provisions that do not apply to income...
- 26 (1) Section 567 (meaning of “overseas securities” etc ) is...
- 27 (1) Section 592 (no tax credits for borrower under stock...
- 28 (1) Section 593 (no tax credits for interim holder under...
- 29 (1) Section 594 (no tax credits for original owner under...
- 30 (1) Section 595 (meaning of “manufactured dividend”) is amended as...
- 31 In section 989 (definitions), in the definition of “tax credit”,...

## SCHEDULE 13 — Company gains from investment life insurance contracts

### *Definitions*

- 1 (1) In this Schedule— “investment life insurance contract” means— a...

### *Contract to be loan relationship*

- 2 (1) If a relevant company is a party to an...

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*Increased non-trading credits*

- 3 (1) This paragraph applies where— (a) by virtue of paragraph...
- 4 (1) Where the relevant company brings into account credits and...

*Commencement*

- 5 This Schedule has effect for accounting periods beginning on or...
- 6 (1) Where the relevant company was a party to an...
- 7 (1) This paragraph applies where— (a) the relevant company was...
- 8 (1) This paragraph applies where— (a) the relevant company was...

SCHEDULE 14 — Company gains from investment life insurance contracts:  
consequential amendments etc

*ICTA*

- 1 ICTA is amended as follows.
- 2 (1) Subsection (1C) of section 437 (general annuity business: income...
- 3 Omit sections 539 to 551A (corporation tax in respect of...
- 4 (1) Section 552 (information: duty of insurers) is amended as...
- 5 In section 552ZA(3) (information: supplementary provisions), omit  
“section 546C(7)(a) of...
- 6 In section 552A(12) (tax representatives)— (a) omit “this Chapter  
and”...
- 7 Omit sections 553 to 553C (further provisions about corporation tax...
- 8 Omit sections 656 to 658 (purchased life annuities).
- 9 In paragraph 20 of Schedule 15 (qualifying policies)—

*ITTOIA 2005*

- 10 ITTOIA 2005 is amended as follows.
- 11 In section 467(5) (persons liable: UK resident trustees), for paragraph...
- 12 In section 469(2) (two or more persons interested in policy...
- 13 Omit section 486 (exclusion of maturity of capital redemption policies...
- 14 In section 501 (part surrenders: loans)— (a) in subsection (1),...
- 15 In section 541B(7) (section 541A: further definitions), omit  
paragraph (b)...
- 16 In Schedule 1 (consequential amendments), omit paragraphs 210 to  
221...

*Other repeals*

- 17 Omit— (a) in FA 1989, section 90 and Schedule 9,...

*Commencement*

- 18 (1) The amendments made by this Schedule—

SCHEDULE 15 — Changes in trading stock

Part 1 — INCOME TAX

- 1 ITTOIA 2005 is amended as follows.
- 2 After section 172 insert— Chapter 11A Trade profits: changes in...
- 3 In the heading of Chapter 12 of Part 2, insert...
- 4 In Schedule 4, in the table in Part 2, after...

Part 2 — CORPORATION TAX

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### *Introduction*

- 5 (1) This Part applies for the purposes of corporation tax....

#### *Transfers of trading stock between trade and trader*

- 6 (1) This paragraph applies if trading stock of a person's...  
7 (1) This paragraph applies if something that—

#### *Other disposals not made in the course of trade*

- 8 (1) This paragraph applies if— (a) trading stock of a...  
9 (1) This paragraph applies if— (a) trading stock of a...

#### *Relationship with transfer pricing rules*

- 10 (1) Paragraph 8 or 9 does not apply if the...

### SCHEDULE 16 — Non-residents: investment managers

#### Part 1 — ELIGIBILITY TO BE UK REPRESENTATIVE

- 1 In section 127 of FA 1995 (persons not treated as...  
2 (1) In section 127 of FA 1995, for subsections (12)...

#### Part 2 — ELIGIBILITY TO BE AGENT OF INDEPENDENT STATUS

#### *FA 2003*

- 3 (1) In Schedule 26 of FA 2003 (non-resident companies: transactions...

#### *ITA 2007*

- 4 ITA 2007 is amended as follows.  
5 (1) Section 827 (meaning of “investment transaction”) is amended as...  
6 (1) Section 1014(2) (orders and regulations under the Income Tax...  
Part 3 — NON-RESIDENTS LIABLE TO TAX: DISREGARDED INVESTMENT  
INCOME OR PROFITS

#### *FA 2003*

- 7 FA 2003 is amended as follows.  
8 (1) Section 152 (non-resident companies: transactions carried out  
through broker,...  
9 (1) Schedule 26 (non-resident companies: transactions through broker,  
investment manager...

#### *ITA 2007*

- 10 (1) Section 818 of ITA 2007 (the independent investment manager...  
Part 4 — COMMENCEMENT  
11 (1) The amendments made by paragraph 1 have effect in...

### SCHEDULE 17 — Insurance companies etc

#### *Financing-arrangement-funded transfers*

- 1 (1) FA 1989 is amended as follows.  
2 In ICTA , for section 444AE substitute— Transfers of business:...  
3 In consequence of paragraphs 1 and 2, omit—



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- 4 (1) The amendments made by paragraphs 1 to 3 have...

*Expenses: fronting reinsurance commissions etc*

5

- 6 (1) Section 85 of FA 1989 (charge of certain receipts...

*Structural assets*

- 7 In section 83XA of FA 1989 (structural assets), omit—

- 8 (1) In section 431(2) of ICTA (interpretative provisions relating to...

*Deposit back arrangements*

- 9 (1) and, in sub-paragraph (4), after “(2)” insert “ ,...

*Foreign business assets*

- 10 (1) In ICTA , in subsection (2) of section 431...

*Foreign currency assets*

- 11 (1) In section 431(2) of ICTA (interpretative provisions about insurance...

*Derivative contracts*

- 12 (1) Schedule 26 to FA 2002 (derivative contracts) is amended...

*Apportionments*

- 13 In section 210A of TCGA 1992 (ring fencing of losses),...

- 14 In section 755A of ICTA (treatment of chargeable profits and...

- 15 The amendments made by paragraphs 13 and 14 have effect...

*UK distributions received by insurance companies*

- 16 (1) In ICTA, after section 95 insert— Taxation of UK...

*Clarification of scope of ICTA s.432A*

- 17 (1) Section 432A of ICTA (apportionment of income and gains)...

*“BLAGAB profits” etc*

- 18 (1) In section 431 of ICTA (interpretative provisions relating to...

*Abolition of “inherited estates” apportionment rules*

- 19 (1) Chapter 1 of Part 12 of ICTA (insurance companies)...

*Insurance special purpose vehicles*

- 20 In section 431A of ICTA (powers to amend), after subsection...

*Group relief: gross profits to exclude relevant profits*

21

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*Charges on income*

22 (1) In section 434A(3) of ICTA (limitation on relief), after...

*Remediation of contaminated land*

23 (1) Schedule 22 to FA 2001 (remediation of contaminated land)...

*Repeal of ICTA s.56(4)*

24 (1) In section 56 of ICTA (transactions in deposits and...

*Partnership returns*

25 In section 12AE(2) of TMA 1970 (partnership returns: alternative methods...

*Overseas life assurance business*

26 (1) Section 431D of ICTA (meaning of “overseas life assurance...

27 (1) In section 476(3) of ITTOIA 2005 (foreign policies), omit—...

*Trades in I minus E*

28 (1) . . . . .

*Controlled foreign companies*

29 (1) In paragraph 4(1A) of Schedule 25 to ICTA (controlled...

*Offshore income gains*

30 . . . . .

*Transfers of business*

31 (1) In section 444AB(6) of ICTA (transfer schemes transferring whole...

32

33

*Periodical return*

34 In section 431(2) of ICTA, in the definition of “periodical...

*Repeal of section 737D of ICTA*

35 (1) In ICTA, omit section 737D (power to provide that...

*R&D relief*

36 In paragraph 12 of Schedule 12 to FA 2002 (insurance...

*Section 89(7) of FA 1989*

37 (1) In section 89(7) of FA 1989 (policy holders' share...

*Commencement of Schedule 9 to FA 2007*

38 (1) Paragraph 17 of Schedule 9 to FA 2007 (transfers:...

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*Commencement of Business Transfer Schemes Order*

39 (1) In article 1(5) of the Insurance Business Transfer Schemes...

*Gross roll-up business*

40 (1) In section 436A(6) of ICTA (gross roll-up business: separate...

*Repeal of spent provision*

41 In section 88(5) of FA 1989 (policy holders' share of...

SCHEDULE 18 — Friendly societies

*Introduction*

1 Chapter 2 of Part 12 of ICTA (friendly societies etc)...

*PHI business*

2 (1) In section 466(1) (“life or endowment business”), for paragraph...

*Transfers of exempt “other” business*

3 (1) After section 461C insert— Transfers of other business (1) Where—  
(a) at any time a friendly society (“the...

*Extension of section 463*

4 In subsection (1) of section 463 (application of Corporation Tax...

*Repeal of obsolete provisions*

5 (1) Omit— (a) section 462(3) and (4) (tax exempt business:...

SCHEDULE 19 — Reduction of basic rate of income tax: transitional relief for gift aid charities

*Payment of gift aid supplement*

1 (1) A charity is entitled to be paid an amount...

*Amount of gift aid supplement*

2 (1) The amount of gift aid supplement that a charity...

*The “notional basic rate”*

3 (1) The “notional basic rate” for a transitional tax year...

*Errors in connection with payment of gift aid supplement*

4 (1) This paragraph applies if an officer of Revenue and...

*General*

5 Gift aid supplement is not— (a) income for the purposes...

6 Any expenditure incurred by the Commissioners under this Schedule is...

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7 In this Schedule— “charity” has the same meaning as in...

*Amendments*

8 In section 25 of FA 1990 (donations to charities by...

9 In section 521 of ITA 2007 (gifts entitling donor to...

SCHEDULE 20 — Leases of plant or machinery

*Capital received in respect of lease to be treated as income*

1 (1) In Chapter 6 of Part 17 of ICTA (tax...

2 (1) In ITA 2007, after section 809 insert— Chapter 6...

3 In section 785A of ICTA (rent factoring of leases of...

*Disposal events: grant of long funding lease*

4 (1) Section 61 of CAA 2001 (disposal events and disposal...

*Deemed disposals: plant or machinery used under long funding lease*

5 (1) Section 25A of TCGA 1992 (long funding leases of...

*Plant or machinery subject to a sale and finance leaseback or lease and finance leaseback*

6 (1) Part 2 of CAA 2001 (plant and machinery allowances)...

7 (1) In section 70I of CAA 2001 (meaning of “short...

*Restriction on lessee's right to elect that rules for non-long funding leases apply*

8 (1) In section 70H of CAA 2001 (lessee: requirement for...

*Lessors under long funding leases of plant or machinery*

9 (1) Chapter 5A of Part 12 of ICTA (special rules...

10 (1) Chapter 10A of Part 2 of ITTOIA 2005 (corresponding...

11 (1) If, at the beginning of 13 December 2007 (“the...

*Plant and machinery allowances: anti-avoidance*

12 (1) Chapter 17 of Part 2 of CAA 2001 (plant...

13 (1) Section 228B of CAA 2001 (S's income or profits:...

SCHEDULE 21 — Restriction on loss relief for non-active traders

*Introduction*

1 ITA 2007 is amended as follows.

*Main provisions*

2 After section 74 insert— General restrictions on sideways relief and...

*Other amendments*

3 In section 32 (liability not dealt with in the calculation),...

4 In section 64(8) (deduction of trade losses from general income),...

5 In section 72(5) (early trade loss relief)—

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### *Commencement*

- 6 (1) Section 74A of ITA, and the other provisions inserted...
- 7 (1) Section 74B of ITA, and the other provisions inserted...

### SCHEDULE 22 — Avoidance involving financial arrangements

#### *Rent factoring of leases of plant or machinery*

- 1 (1) Section 785A of ICTA (rent factoring of leases of...

#### *Credit allowable in relation to interest*

- 2 (1) In section 807A of ICTA (disposals and acquisitions of...

#### *Distributions arising from tax arrangements*

- 3 (1) In paragraph 1 of Schedule 9 to FA 1996...

#### *Disposals for consideration not recognised by accounting practice*

- 4 (1) In Schedule 9 to FA 1996 (loan relationships: special...

#### *Avoidance relying on continuity of treatment provisions*

- 5 (1) In paragraph 12 of Schedule 9 to FA 1996...

#### *Distributions from shares treated as loan relationships*

- 6 (1) In FA 1996, in— (a) section 91A(2)(b) (distributions in...

#### *Depreciatory transactions*

- 7 (1) Section 91A of FA 1996 (shares treated as loan...
- 8 (1) Section 91B of FA 1996 (shares treated as loan...
- 9 The amendments made by paragraphs 7 and 8 have effect...

#### *Falsifying transactions*

- 10 (1) Section 91A of FA 1996 (shares treated as loan...
- 11 (1) Section 91C of FA 1996 (shares treated as loan...
- 12 The amendments made by paragraphs 10 and 11 have effect...

#### *Non-qualifying shares*

- 13 (1) In section 91B(5)(a) of FA 1996 (debits and credits...

#### *Income producing assets*

- 14 (1) In section 91C(3) of FA 1996 (assets which are...

#### *Exit arrangements*

- 15 (1) In section 91D(2) of FA 1996 (shares treated as...

#### *Schemes etc designed to reproduce interest-like return*

- 16 (1) Section 91E of FA 1996 (shares treated as loan...

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### *Partnerships*

17 (1) In FA 1996, after section 91G insert— Partnerships Payments...

#### *Loan relationships treated differently by debtor and creditor*

18 (1) In FA 1996, after section 94A insert— Loan relationships...

#### *Commercial rate of interest*

19 (1) In section 103 of FA 1996 (interpretation of Chapter...

#### *Derivative contracts*

20 (1) Schedule 26 to FA 2002 (derivative contracts) is amended...

#### *Restrictions on relief for interest payments*

21 (1) Section 384 of ITA 2007 (general restrictions on relief...

### SCHEDULE 23 — Manufactured payments: anti-avoidance

#### *Introduction*

1 Chapter 2 of Part 11 of ITA 2007 (manufactured payments)...

#### *Section 572A*

2 After section 572 insert— Meaning of “avoidance arrangements” (1) In this Chapter “ avoidance arrangements ” means any...

#### *Section 573*

3 In section 573(4) (manufactured dividends on UK shares: Income Tax...

#### *Section 574*

4 (1) Section 574 (allowable deductions for manufactured dividends on UK...

#### *Section 575*

5 Omit section 575 (allowable deductions for manufactured dividends on UK...

#### *Section 578*

6 In section 578(3) (manufactured interest on UK securities: Income Tax...

#### *Section 579*

7 (1) Section 579 (allowable deductions for manufactured interest on UK...

#### *Section 580*

8 Omit section 580 (allowable deductions for manufactured interest on UK...

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### *Section 581A*

- 9 After section 581 insert— Avoidance arrangements (1) A manufactured overseas dividend is not deductible if it...

### *Section 583*

- 10 In section 583 (manufactured payments exceeding underlying payments), insert at...

### *Capital gains*

- 11 (1) Section 263D of TCGA 1992 (gains accruing to persons...  
12 In ITA 2007, omit paragraph 335(5) of Schedule 1 (which...

## SCHEDULE 24 — Annual investment allowance

### Part 1 — AMENDMENTS OF CAA 2001

- 1 CAA 2001 is amended as follows.  
2 In Part 2, after Chapter 3 insert— Chapter 3A AIA...  
3 In Chapter 5 of Part 2 (allowances and charges), insert...  
4 After section 52 insert— Prevention of double relief Prevention of...  
5 In section 58 (allocation of qualifying expenditure to pools), after...  
6 (1) Section 205 (reduction of first-year allowances) is amended as...  
7 (1) Section 210 (reduction of first-year allowances) is amended as...  
8 (1) Section 217 (restrictions on allowances) is amended as follows...  
9 After section 218 insert— Further restriction on annual investment allowance...  
10 (1) Section 236 (additional VAT liability generates first-year allowance) is...  
11 In section 237(1) (exceptions to section 236), after “liability is...  
12 (1) Section 241 (no first-year allowance in respect of additional...  
13 In section 263(3) (qualifying activities carried on in partnership), after...  
14 In section 265(4) (successions: general), after “to” insert “ an...  
15 In Part 2 of Schedule 1 (index of defined expressions),...

### Part 2 — AMENDMENTS OF OTHER ENACTMENTS

### *ICTA*

- 16 ICTA is amended as follows.  
17 In section 395(1)(c) (leasing contracts and company reconstructions), after “for...  
18 In paragraph 1(6)(b)(i) of Schedule 18 (group relief), before “a...

### *FA 2000*

- 19 (1) Schedule 22 to FA 2000 (tonnage tax) is amended...

### *ITA 2007*

- 20 ITA 2007 is amended as follows.  
21 In section 76 (first-year allowances)— (a) after “from” insert “...  
22 In section 78 (arrangements to reduce tax liabilities)—  
Part 3 — COMMENCEMENT  
23 (1) This Schedule has effect in relation to expenditure incurred...

## SCHEDULE 25 — First-year tax credits

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Part 1 — AMENDMENTS OF CAA 2001

- 1 CAA 2001 is amended as follows.
- 2 In section 2(3) (general means of giving effect to capital...
- 3 (1) Section 3 (claims for capital allowances) is amended as...
- 4 After section 262 insert— First-year tax credits First-year tax credits...
- 5 Before Schedule 1 insert— SCHEDULE A1 First-year tax credits Section...
- 6 In Part 1 of Schedule 1, insert at the appropriate...

Part 2 — AMENDMENTS OF OTHER ENACTMENTS

*ICTA*

- 7 (1) Section 826 of ICTA (interest on tax overpaid) is...

*FA 1998*

- 8 (1) Schedule 18 to FA 1998 (company tax returns, assessments...

Part 3 — COMMENCEMENT

- 9 The amendments made by this Schedule have effect in relation...

SCHEDULE 26 — Special rate expenditure and the special rate pool

Part 1 — AMENDMENTS OF CAA 2001

*Introductory*

- 1 CAA 2001 is amended as follows.

*Special rate expenditure and the special rate pool*

- 2 After Chapter 10 insert— Chapter 10A Special rate expenditure Special...

*Consequential amendments*

- 3 In section 54(5) (the different kinds of pools), for “section...
- 4 In section 56(2) (amount of allowances and charges), for paragraph...
- 5 In section 65(1) (final chargeable period), for paragraph (b) substitute —...
- 6 In section 66 (list of provisions about disposal values), for...
- 7 In column 1 of the table in section 84 (cases...
- 8 Omit section 92 (application of Chapter 10 to part of...
- 9 For section 101 (long-life asset pool) substitute— Allocation of long-life...
- 10 For section 102 (6% writing-down allowance in respect of long-life...
- 11 Omit section 104 (disposal value of long-life assets).
- 12 In section 266(7) (certain provisions disapplied where election made under...
- 13 In Part 2 of Schedule 1 (index of defined expressions),...

Part 2 — COMMENCEMENT ETC

*Commencement*

- 14 (1) This Schedule has effect in relation to—



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*Sale between connected persons*

- 15 (1) This paragraph applies where, on or after the relevant...

*Saving for intra-group transfers*

- 16 (1) This paragraph applies where, on or after the relevant...  
17 (1) Where this paragraph applies, for the purposes of making...

*Interpretation*

- 18 Expressions used in this Part of this Schedule and in...

SCHEDULE 27 — Abolition of allowances: consequential amendments and savings  
Part 1 — CONSEQUENTIAL AMENDMENTS

*CAA 2001*

- 1 CAA 2001 is amended as follows.  
2 In section 1 (capital allowances), omit— (a) subsection (2)(b) and...  
3 In section 2(3) (general means of giving effect to capital...  
4 In section 3 (claims for capital allowances), omit subsections (4)(b)...  
5 (1) Section 186 (fixture on which an industrial buildings allowance...  
6 In section 443(3) (disposal values and disposal events), omit “or...  
7 In section 448(3) (additional VAT rebate generates disposal value),  
omit...  
8 In section 537 (contribution allowances), omit “, 3, 4” in—...  
9 Omit section 539 (contribution allowances: industrial buildings).  
10 Omit section 540 (contribution allowances: agricultural buildings).  
11 In section 542(1) (effect of transfers of trade on contribution...  
12 In section 546 (introduction to Chapter 2 of Part 12),...  
13 In section 564 (application of procedure in section 563)—  
14 In section 567(1) (sales treated as for alternative amounts), omit...  
15 In section 569 (election to treat sale as being for...  
16 In section 570 (elections: supplementary), omit— (a) in  
subsection (1),...  
17 In section 570A(1) (avoidance affecting proceeds of balancing event),  
omit...  
18 In section 573(1) (transfers treated as sales), omit “3,” and...  
19 (1) Part 2 of Schedule 1 (index of defined expressions)...  
20 In Schedule 3 (transitional provision and savings), omit—

*ICTA*

- 21 In section 495 of ICTA (regional development grants), omit—

*FA 2000*

- 22 In Schedule 22 (tonnage tax), omit paragraphs 84 and 86....

*FA 2001*

- 23 (1) FA 2001 is amended as follows.

*Proceeds of Crime Act 2002 (c. 29)*

- 24 In Schedule 10 to the Proceeds of Crime Act 2002...

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*Energy Act 2004 (c. 20)*

- 25 In Schedule 4 to the Energy Act 2004 (tax exemption...

*ITTOIA 2005*

- 26 In Schedule 1 to ITTOIA 2005 (consequential amendments), omit paragraphs...

*ITA 2007*

- 27 (1) ITA 2007 is amended as follows.

*FA 2007*

- 28 In FA 2007, omit section 36 (industrial and agricultural buildings...

*FA 2008*

- 29 In FA 2008, omit— (a) section 85 (phasing out of...

*Commencement*

- 30 (1) Subject to sub-paragraph (2), this Part of this Schedule...  
Part 2 — SAVINGS

*Enterprise zone expenditure*

- 31 (1) Sub-paragraph (2) applies if— (a) an initial allowance or...  
32 (1) Sub-paragraph (2) applies if— (a) an initial allowance has...

*Definition of structure*

- 33 Despite the repeal of Part 3 of CAA 2001 by...

*Definition of qualifying trade*

- 34 Despite the repeal of Part 3 of CAA 2001 by...

*Commencement*

- 35 This Part of this Schedule has effect in relation to...

SCHEDULE 28 — Inheritance of tax-relieved pension savings

*Amendments of Part 4 of FA 2004*

- 1 Part 4 of FA 2004 (pension schemes etc) is amended...  
2 (1) Section 172 (assignment) is amended as follows.  
3 (1) Section 172A (surrender) is amended as follows.  
4 (1) Section 172B (increase in rights of connected person on...  
5 In paragraph 16(2) of Schedule 28 (dependants' scheme pension), after...

*Amendments of IHTA 1984*

- 6 .....  
7 .....  
8 .....  
9 .....

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10	.....
11	.....
12	.....
13	.....
14	.....

*Commencement*

15 (1) The amendments made by paragraph 2 have effect in...

SCHEDULE 29 — Further provision about pension schemes

*Authorised member payments*

1 (1) Part 4 of FA 2004 (pension schemes etc) is...

*Transfer of lifetime annuities and dependants' annuities*

2 (1) Schedule 28 to FA 2004 (authorised pensions etc)...

*Definition of investment-regulated pension schemes*

3 (1) In Schedule 29A to FA 2004 (taxable property etc),...

*Benefit crystallisation event 3*

4 Part 4 of FA 2004 (pension schemes etc) is amended...

5 In the table in section 216(1) (benefit crystallisation events), in...

6 Schedule 32 (benefit crystallisation events: supplementary) is amended as follows....

7 (1) Paragraph 10 (benefit crystallisation event 3: excepted circumstances) is...

8 After that paragraph insert— Benefit crystallisation event 3: threshold annual...

9 (1) Paragraph 11 (benefit crystallisation event 3: permitted margin) is...

10 In paragraph 13 (benefit crystallisation event 3: meaning of XP),...

11 In consequence of the amendment made by paragraph 7(3), in...

12 (1) The amendments made by paragraphs 9(2) and (3) come...

*Transitional protection of lump sums*

13 (1) In paragraph 34 of Schedule 36 to FA 2004...

*Miscellaneous provision about registered pension schemes*

14 (1) FA 2004 is amended as follows.

15 In section 215(4)(a) of FA 2004 (amount of lifetime allowance...

16 In Schedule 34 to that Act (non-UK schemes: application of...

*Employer contributions under exempt approved schemes*

17 (1) This paragraph applies in relation to section 592 of...

*Inheritance tax treatment of non-UK pension schemes*

18 (1) IHTA 1984 is amended as follows.

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*Application of charges to non-UK pension schemes*

19 (1) Schedule 34 to FA 2004 (which applies certain charges...

SCHEDULE 30 — Stamp duty land tax: notification etc: consequential provision

*FA 2003*

- 1 Part 4 of FA 2003 (stamp duty land tax) is...
- 2 (1) Section 79 (registration of land transactions) is amended as...
- 3 In section 81B(1) (declaration by person authorised to act on...
- 4 (1) Section 103 (joint purchasers) is amended as follows.
- 5 (1) Section 122 (index of defined expressions) is amended as...
- 6 In Part 4 of Schedule 6 ( SDLT : disadvantaged...
- 7 In paragraph 36 of Schedule 10 (notice of appeal), in...
- 8 Omit Part 1 of Schedule 11 (SDLT: self-certificates).
- 9 (1) In Part 2 of that Schedule (duty to keep...
- 10 Omit Part 3 of that Schedule (enquiry into self-certificate).
- 11 Accordingly, in the heading to Schedule 11, for “self-certificates” substitute...
- 12 In Schedule 15 (SDLT: partnerships), in paragraph 8(2), omit “or...
- 13 (1) In Schedule 16 (SDLT: trusts and powers), paragraph 6...
- 14 In Schedule 17A (SDLT: further provisions relating to leases), in...

*FA 2007*

15 In consequence of the preceding provisions of this Schedule, omit...

SCHEDULE 31 — Stamp duty land tax: special provisions for property-investment partnerships

Part 1 — TRANSFER OF INTEREST IN PARTNERSHIP: “RELEVANT PARTNERSHIP PROPERTY”

*Paragraph 14 of Schedule 15 to FA 2003*

1 (1) Paragraph 14 of Schedule 15 to FA 2003 (transfer...

*Consequential provision*

- 2 In paragraph 15(1) of that Schedule (exclusion of market rent...
- 3 In paragraph 16(2) of that Schedule (application of provisions about...
- 4 In paragraph 26(9) of that Schedule (application of disadvantaged areas...

Part 2 — ELECTIONS IN RESPECT OF INTEREST TRANSFERRED TO PARTNERSHIP

*Election when interest transferred to partnership*

- 5 In paragraph 10 of Schedule 15 to FA 2003 (transfer...
- 6 After paragraph 12 insert— Election by property-investment partnership to disapply...
- 7 In paragraph 18 of that Schedule (transfer of chargeable interest...

*Consequential provision*

8 In paragraph 17A(1) of that Schedule (withdrawal of money etc...

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9 In paragraph 26(8) of that Schedule (application of disadvantaged areas...)

Part 3 — TRANSITIONAL PROVISION

10 Omit section 72(14) of FA 2007 (saving relating to changes...)

11 (1) This paragraph applies in the case of a transfer...

SCHEDULE 32 — Stamp duty: abolition of fixed duty on certain instruments

Part 1 — ABOLITION OF FIXED DUTY

*FA 1985*

1 Part 3 of FA 1985 (stamp duty) is amended as...

2 In section 83 (transfers in connection with divorce, dissolution of...)

3 In section 84 (death: varying dispositions, and appropriations)—

*FA 1986*

4 Part 3 of FA 1986 (stamp duty) is amended as...

5 In section 66 (company's purchase of own shares), omit subsection...

6 In section 67(9) (transfer of securities between depositary receipt systems),...

7 In section 70(9) (transfer of securities between clearance systems), for...

8 In section 72A(1) (transfer of securities between depositary receipt system...)

*FA 1999*

9 FA 1999 is amended as follows.

10 (1) Schedule 13 (instruments chargeable to stamp duty and rates...)

11 (1) Schedule 15 (stamp duty: bearer instruments) is amended as...

Part 2 — CONSEQUENTIAL PROVISIONS AND SAVING

*FA 1982*

12 In section 129(1) of FA 1982 (exemption from duty on...)

*FA 1986*

13 Part 3 of FA 1986 (stamp duty) is amended as...

14 (1) Section 67 (stamp duty on certain transfers to depositary...)

15 (1) Section 70 (stamp duty on certain transfers to a...)

*FA 1987*

16 Part 3 of FA 1987 (stamp duty and stamp duty...)

17 In section 50(1) (warrants to purchase Government stock, etc), omit...

18 In section 55(1) (Crown exemption), omit “, or paragraph 16”....

*FA 1990*

19 In section 108(1) of FA 1990 (abolition of stamp duty...)

*FA 1999*

20 In Schedule 14 to FA 1999, omit paragraphs 10(b), 11(b),...

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*FA 2003*

- 21 In Schedule 40 to FA 2003, omit paragraph 2(b).

*Saving for certain land transactions*

- 22 (1) The following provisions of this Schedule do not have...

*Repeals on abolition day*

- 23 If a day is appointed under section 111 of FA...

SCHEDULE 33 — PRT: elections for oil fields to become non-taxable

Part 1 — NEW SCHEDULE 20A TO FA 1993

- 1 This is Schedule 20A to be inserted before Schedule 21...

Part 2 — OTHER AMENDMENTS

*OTA 1975*

- 2 In section 6 of OTA 1975 (allowances of unrelievable loss...

*FA 1980*

- 3 In Schedule 17 to FA 1980 (transfers of interests in...

*Oil Taxation Act 1983*

- 4 In section 9 of the Oil Taxation Act 1983 (c....

SCHEDULE 34 — Oil decommissioning expenditure: consequential amendments

*ICTA*

- 1 In section 393A of ICTA (losses: set off against profits),...

*CAA 2001*

- 2 CAA 2001 is amended as follows.  
3 In section 26 (demolition costs), in subsection (5), for “abandonment...  
4 In section 57 (available qualifying expenditure), in the entry in...  
5 (1) Section 164 (abandonment expenditure incurred before cessation of  
ring...  
6 (1) Section 165 (abandonment expenditure within 3 years of ceasing...

SCHEDULE 35 — Set off against oil profits: minor and consequential amendments

*TMA 1970*

- 1 In section 87A of TMA 1970 (interest on overdue corporation...

*ICTA*

- 2 ICTA is amended as follows.  
3 In section 343 (company reconstructions without change of ownership),  
in...  
4 In section 393 (losses other than terminal losses), in subsection...  
5 In section 393A (losses: set off against profits of the...  
6 In section 768A (change in ownership: disallowance of carry back...

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- 7 In section 826 (interest on tax overpaid), in subsection (7A)(b),...
- 8 (1) Schedule 19B (petroleum extraction activities: exploration expenditure supplement) is...
- 9 (1) Schedule 19C (petroleum extraction activities: ring fence expenditure supplement)...

*FA 2000*

- 10 (1) Schedule 20 to FA 2000 (tax relief for expenditure...

SCHEDULE 36 — Information and inspection powers

Part 1 — POWERS TO OBTAIN INFORMATION AND DOCUMENTS

*Power to obtain information and documents from taxpayer*

- 1 (1) An officer of Revenue and Customs may by notice...

*Power to obtain information and documents from third party*

- 2 (1) An officer of Revenue and Customs may by notice...

*Approval etc of taxpayer notices and third party notices*

- 3 (1) An officer of Revenue and Customs may not give...

*Copying third party notice to taxpayer*

- 4 (1) An officer of Revenue and Customs who gives a...

*Power to obtain information and documents from financial institutions*

- 4A (1) An officer of Revenue and Customs may by notice...

*Power to obtain information and documents about persons whose identity is not known*

- 5 (1) An authorised officer of Revenue and Customs may by...

*Power to obtain information about persons whose identity can be ascertained*

- 5A (1) An authorised officer of Revenue and Customs may by...

*Notices*

- 6 (1) In this Schedule, “information notice” means a notice under...

*Complying with notices*

- 7 (1) Where a person is required by an information notice...

*Producing copies of documents*

- 8 (1) Where an information notice requires a person to produce...

*Restrictions and special cases*

- 9 This Part of this Schedule has effect subject to Parts...

Part 2 — POWERS TO INSPECT PREMISES AND OTHER PROPERTY

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*Power to inspect business premises etc*

- 10 (1) An officer of Revenue and Customs may enter a...

*Power to inspect business premises etc of involved third parties*

- 10A (1) An officer of Revenue and Customs may enter business...

*Power to inspect premises used in connection with taxable supplies etc*

- 11 (1) This paragraph applies where an officer of Revenue and...

*Carrying out inspections under paragraph 10, 10A or 11*

- 12 (1) An inspection under paragraph 10, 10A or 11 may...

*Powers to inspect property for valuation etc*

- 12A (1) An officer of Revenue and Customs may enter and...

*Carrying out inspections under paragraph 12A*

- 12B (1) An inspection under paragraph 12A may be carried out...

*Approval of tribunal*

- 13 (1) An officer of Revenue and Customs may ask the...

*Restrictions and special cases*

- 14 This Part of this Schedule has effect subject to Parts...  
Part 3 — FURTHER POWERS

*Power to copy documents*

- 15 Where a document (or a copy of a document) is...

*Power to remove documents*

- 16 (1) Where a document is produced to, or inspected by,...

*Power to mark assets and to record information*

- 17 The powers under Part 2 of this Schedule include—  
Part 4 — RESTRICTIONS ON POWERS

*Documents not in person's possession or power*

- 18 An information notice only requires a person to produce a...

*Types of information*

- 19 (1) An information notice does not require a person to...

*Old documents*

- 20 An information notice may not require a person to produce...



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*Taxpayer notices following tax return*

21 (1) Where a person has made a tax return in...

*Application of paragraph 21 in case of returns under Schedule 2 to FA 2019*

21ZA (1) For the purposes of paragraph 21 any reference to...

*Taxpayer notices following land transaction return*

21A (1) Where a person has delivered a land transaction return...

*Annual tax on enveloped dwellings: taxpayer notices following return*

21B (1) Where a person has delivered, for a chargeable period...

*Deceased persons*

22 An information notice given for the purpose of checking the...

*Privileged communications between professional legal advisers and clients*

23 (1) An information notice does not require a person—

*Auditors*

24 (1) An information notice does not require a person who...

*Tax advisers*

25 (1) An information notice does not require a tax adviser—...

*Auditors and tax advisers: supplementary*

26 (1) Paragraphs 24(1) and 25(1) do not have effect in...

27 (1) This paragraph applies where paragraph 24(1) or 25(1) is...

*Corresponding restrictions on inspection of ... documents*

28 An officer of Revenue and Customs may not inspect a...  
Part 5 — APPEALS AGAINST INFORMATION NOTICES

*Right to appeal against taxpayer notice*

29 (1) Where a taxpayer is given a taxpayer notice, the...

*Right to appeal against third party notice*

30 (1) Where a person is given a third party notice,...

*Right to appeal against notice given under paragraph 5 or 5A*

31 Where a person is given a notice under paragraph 5...

*Procedure*

32 (1) Notice of an appeal under this Part of this...

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*Special cases*

- 33 This Part of this Schedule has effect subject to Part...  
Part 6 — SPECIAL CASES

*Supply of goods or services etc*

- 34 (1) This paragraph applies to a taxpayer notice or third...

*Involved third parties*

- 34A . . . . .

*Registered pension schemes etc*

- 34B (1) This paragraph applies to a third party notice or...

*Registered pension schemes etc: interpretation*

- 34C In paragraph 34B— “employer-financed retirement benefits scheme”  
has the same...

*Groups of undertakings*

- 35 (1) This paragraph applies where an undertaking is a parent...

*Change of ownership of companies*

- 36 (1) Sub-paragraph (2) applies where it appears to the Commissioners...

*Partnerships*

- 37 (1) This paragraph applies where a business is carried on...

*Information in connection with herd basis election*

- 37A (1) This paragraph applies to a taxpayer notice given to...

*Information from persons liable to counteraction of tax advantage*

- 37B (1) This paragraph applies to a taxpayer notice given to...

*Specified relevant transfer pricing documents*

- 37C (1) This paragraph applies to an information notice given to...

*Application to the Crown*

- 38 This Schedule (other than Part 8) applies to the Crown,...  
Part 7 — PENALTIES

*... penalties for failure to comply or obstruction*

- 39 (1) This paragraph applies to a person who—

*Daily default penalties*

- 40 (1) This paragraph applies if the failure or obstruction mentioned...

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*Penalties for inaccurate information and documents*

40A (1) This paragraph applies if— (a) in complying with an...

*Power to change amount of ... penalties*

41 (1) If it appears to the Treasury that there has...

*Concealing, destroying etc documents following information notice*

42 (1) A person must not conceal, destroy or otherwise dispose...

*Concealing, destroying etc documents following informal notification*

43 (1) A person must not conceal, destroy or otherwise dispose...

*Failure to comply with time limit*

44 A failure by a person to do anything required to...

*Reasonable excuse*

45 (1) Liability to a penalty under paragraph 39 or 40...

*Assessment of ... penalty*

46 (1) Where a person becomes liable for a penalty under...

*Right to appeal against ... penalty*

47 (1) A person may appeal ... against any of the...

*Procedure on appeal against ... penalty*

48 (1) Notice of an appeal under paragraph 47 must be...

*Enforcement of ... penalty*

49 (1) A penalty under paragraph 39 , 40 or 40A...

*Increased daily default penalty*

49A (1) This paragraph applies if— (a) a penalty under paragraph...

49B (1) If the tribunal makes a determination under paragraph 49A,...

49C (1) A penalty under paragraph 49A must be paid before...

*Tax-related penalty*

50 (1) This paragraph applies where— (a) a person becomes liable...

*Enforcement of tax-related penalty*

51 (1) A penalty under paragraph 50 must be paid before...

*Disclosure of third party or financial institution notice*

51A (1) This paragraph applies if— (a) a person (“P”) is...

51B (1) A person who breaches a requirement imposed under paragraph...

51C (1) A person may appeal a decision of an officer...

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*Double jeopardy*

52 A person is not liable to a penalty under this...

Part 8 — OFFENCE

*Concealing etc documents following information notice*

53 (1) A person is guilty of an offence (subject to...

*Concealing etc documents following informal notification*

54 (1) A person is also guilty of an offence (subject...

*Fine or imprisonment*

55 A person who is guilty of an offence under this...

Part 9 — MISCELLANEOUS PROVISIONS AND INTERPRETATION

*Application of provisions of TMA 1970*

56 Subject to the provisions of this Schedule, the following provisions...

*Regulations under this Schedule*

57 (1) Regulations made by the Commissioners or the Treasury under...

*General interpretation*

58 In this Schedule— “checking” includes carrying out an investigation or...

*Authorised officer of Revenue and Customs*

59 A reference in a provision of this Schedule to an...

*Business*

60 (1) In this Schedule (subject to regulations under this paragraph),...

*Chargeable period*

61 In this Schedule “chargeable period” means— (a) in relation to...

*Financial institution*

61ZA (1) In this Schedule “ financial institution ” means—

*Involved third parties*

61A (1) In this Schedule “ involved third party ” means...

*Statutory records*

62 (1) For the purposes of this Schedule, information or a...

*Tax*

63 (1) In this Schedule, except where the context otherwise requires,...

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*Tax debts: collection*

63A (1) In this Schedule a reference to collecting a tax...

*Tax debts: extended meaning of “relevant foreign tax”*

63B Where this Schedule applies for the purpose of collecting a...

*Tax position*

64 (1) In this Schedule, except as otherwise provided, “tax position”,...  
Part 10 — CONSEQUENTIAL PROVISIONS

*TMA 1970*

65 TMA 1970 is amended as follows.  
66 Omit section 19A (power to call for documents for purposes...  
67 Omit section 20 (power to call for documents of taxpayer...  
68 (1) Section 20B (restrictions on powers to call for documents...  
69 (1) Section 20BB (falsification etc. of documents) is amended as...  
70 (1) Section 20D (interpretation) is amended as follows.  
71 In section 29(6)(c) (assessment where loss of tax discovered), omit...  
72 Omit section 97AA (failure to produce documents under section 19A)...  
73 In section 98 (penalties), in the Table—  
74 .....  
75 (1) Section 107A (relevant trustees) is amended as follows.  
76 In section 118 (interpretation), in the definition of “tax”, omit...  
77 In Schedule 1A (claims etc. not included in returns), omit...

*National Savings Bank Act 1971 (c. 29)*

78 In section 12(3) (secrecy), for the words from “and of...

*ICTA*

79 ICTA is amended as follows.  
80 .....  
81 Omit section 767C (change in company ownership: information).  
82 .....

*FA 1990*

83 In section 125 of FA 1990 (information for tax authorities...

*Social Security Administration Act 1992 (c. 5)*

84 In section 110ZA of the Social Security Administration Act 1992...

*Social Security Administration (Northern Ireland) Act 1992 (c. 8)*

85 In section 104ZA of the Social Security Administration (Northern Ireland)...

*F(No.2)A 1992*

86 Omit section 28(1) to (3) (powers of inspection).

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*VATA 1994*

87 (1) Schedule 11 to VATA 1994 is amended as follows....

*FA 1998*

88 In Schedule 18 to FA 1998 (company tax returns), omit...

*FA 1999*

89 In section 13(5) (gold), omit paragraph (c).

*Tax Credits Act 2002 (c. 21)*

90 In section 25 of the Tax Credits Act 2002 (payments...

*FA 2006*

91 Omit section 174 of FA 2006 (international tax enforcement arrangements:...

*Other repeals*

92 In consequence of the preceding provisions of this Part of...

SCHEDULE 37 — Record-keeping

*TMA 1970*

- 1 TMA 1970 is amended as follows.
- 2 (1) Section 12B (records to be kept for purposes of...
- 3 (1) Paragraph 2A of Schedule 1A (records to be kept...

*VATA 1994*

- 4 Schedule 11 to VATA 1994 (administration, collection and enforcement) is...
- 5 (1) Paragraph 6 (duty to keep records) is amended as...
- 6 In paragraph 6A(7) (application of provisions of paragraph 6 where...

*FA 1998*

- 7 Schedule 18 to FA 1998 (company tax returns) is amended...
- 8 (1) Paragraph 21 (duty to keep and preserve records) is...
- 9 (1) Paragraph 22 (preservation of information instead of original records)...

*Consequential provisions*

- 10 In section 13(6) of FA 1999 (VAT and gold)—
- 11 In consequence of the amendments made by paragraph 2 omit—...

SCHEDULE 38 — Disclosure of tax avoidance schemes

*Amendments of Part 7 of FA 2004*

- 1 Part 7 of FA 2004 (disclosure of tax avoidance schemes)...
- 2 (1) Section 308 (duties of promoter) is amended as follows....

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- 3 In section 311(1) (arrangements to be given reference number)—
- 4 For section 312 substitute— Duty of promoter to notify client...
- 5 (1) Section 313 (duty of parties to notifiable arrangements to...
- 6 For section 316 substitute— Information to be provided in form...

#### *Amendments of TMA 1970*

- 7 (1) Section 98C of TMA 1970 (penalties for failure to...

#### SCHEDULE 39 — Time limits for assessments, claims etc.

##### *TMA 1970*

- 1 TMA 1970 is amended as follows.
- 2 In section 28C(5)(a) (time limit for determination of tax where...
- 3 In section 29(4) (assessment where loss of tax discovered), for...
- 4 In section 30B(5) (amendment of partnership statement where loss of...
- 5 In section 33(1) (claim for error or mistake), for “not...
- 6 In section 33A(2) (error or mistake in partnership return), for...
- 7 (1) Section 34 (ordinary time limit for assessments) is amended...
- 8 In section 35 (time limit: income received after year for...
- 9 (1) Section 36 (fraudulent or negligent conduct) is amended as...
- 10 In section 37A (effect of assessment where allowances transferred),  
for...
- 11 (1) Section 40 (assessment on personal representatives) is amended as...
- 12 In section 43(1) (time limit for making claims), for “five...
- 13 In section 43A(1)(b) (further assessments: claims etc), for the words...
- 14 In section 43C(1)(b) (consequential claims etc), for “attributable to  
fraudulent...
- 15 In section 118 (interpretation) insert at the end—

##### *ICTA*

- 16 ICTA is amended as follows.
- 17 In section 36(2)(b) (claims for repayment of tax on sale...
- 18 In section 257AB(9) (elections in respect of married couple's  
allowance...
- 19 In section 257BB(5)(a) (notices in respect of transfer of relief...
- 20 In section 265(5) (notices in respect of transfer of blind...
- 21 In section 270(4) (claims for repayment of excess paid on...
- 22 In section 419(4) (claims for relief from tax where loan...
- 23 In section 500(4) and (9) (additional assessment to corporation tax...
- 24 In section 806(1) (time limit for claims for allowance under...
- 25 In section 806G(3)(a) (claims for the purposes of utilisation of...
- 26 In section 806M(7)(a) (claims for the purpose of carry forward...

##### *FA 1991*

- 27 In section 65(6) of FA 1991 (additional assessment to corporation...

##### *TCGA 1992*

- 28 TCGA 1992 is amended as follows.
- 29 In section 203(2) (claims in respect of certain capital losses),...
- 30 In section 253(4A) (claims for relief for loans to traders)—...

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31 In section 279(5) (claims in respect of delayed remittance of...

*VATA 1994*

32 VATA 1994 is amended as follows.  
33 In section 33A(4) (refunds of VAT to museums and galleries),...  
34 (1) Section 77 (assessments: time limits and supplementary assessments) is...  
35 In section 78(11) (interest in certain cases of official error),...  
36 In section 80(4) (credit for, or repayment of, overstated or...

*FA 1998*

37 Schedule 18 to FA 1998 (company tax returns) is amended...  
38 In paragraph 36(5) (determination of tax payable if no return...  
39 In paragraph 37(4) (determination of tax payable if notice complied...  
40 In paragraph 40(3) (time limit for self-assessment superseding determination), for...  
41 (1) Paragraph 43 (fraudulent or negligent conduct) is amended as...  
42 (1) Paragraph 46 (general time limits for assessments) is amended...  
43 In paragraph 51(1)(c) (relief in case of mistake in return),...  
44 (1) Paragraph 53 (time limit for recovery of excessive payments...  
45 In paragraph 55 (general time limit for making claims), for...  
46 In paragraph 61(2) (consequential claims etc arising out of certain...  
47 (1) Paragraph 65 (consequential claims) is amended as follows.

*FA 2002*

48 In paragraph 27 of Schedule 16 (withdrawal or reduction of...

*ITEPA 2003*

49 In section 711(2) (notice requiring officer of Revenue and Customs...

*ITTOIA 2005*

50 ITTOIA 2005 is amended as follows.  
51 In section 301(3) (claims for repayment of tax payable in...  
52 In section 302(3) (claims for repayment of tax payable in...  
53 In section 840A(1) (claims for relief for backdated pensions charged...

*ITA 2007*

54 ITA 2007 is amended as follows.  
55 In section 40(1)(a) (election for transfer of blind person's allowance),...  
56 In section 46(6)(b) (marriages and civil partnerships on or after...  
57 In section 53(4)(a) (notice in respect of transfer of unused...  
58 In section 155 (claim for loss relief against miscellaneous income),...  
59 (1) Section 237 (EIS relief: time limits for assessments) is...  
60 In section 372 (withdrawal or reduction of community investment tax...  
61 In section 668(7) (claim for relief for unremittable transfer proceeds),...  
62 In section 669(4) (claim for relief for unremittable transfer proceeds:...

*Consequential amendments*

63 In section 178(3) of FA 1993 (stop-loss and quota share...



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- 64 In section 225(3)(b) of FA 1994 (stop-loss and quota share...  
65 In consequence of the preceding provisions of this Schedule, omit—...

*Saving*

- 66 The amendments of sections 33, 34 and 36 of TMA...

SCHEDULE 40 — Penalties: amendments of Schedule 24 to FA 2007

- 1 Schedule 24 to FA 2007 (penalties for errors) is amended...  
2 (1) Paragraph 1 (error in taxpayer's document) is amended as...  
3 After that paragraph insert— Error in taxpayer's document attributable  
to...  
4 (1) Paragraph 2 (under-assessment by HMRC) is amended as follows...  
5 (1) Paragraph 3 (degrees of culpability) is amended as follows...  
6 In paragraph 4 (standard amount), after sub-paragraph (1) insert—  
7 In paragraph 5(1) (potential lost revenue: normal rule), after  
“document”...  
8 (1) Paragraph 6 (potential lost revenue: multiple errors) is amended...  
9 (1) Paragraph 9 (reductions for disclosure) is amended as follows...  
10 In paragraph 11(1) (special reduction), after “1” insert “, ...  
11 (1) Paragraph 12 (interaction with other penalties) is amended as...  
12 (1) Paragraph 13 (assessment) is amended as follows.  
13 In paragraph 15 (right of appeal)— (a) for “P may”...  
14 For paragraph 16 substitute— (1) An appeal is to be brought to the  
First-tier...  
15 In paragraph 18(3) (agency), after “penalty” insert “ under paragraph...  
16 (1) Paragraph 19 (companies: officers' liability) is amended as  
follows...  
17 In paragraph 21 (double jeopardy)— (a) for “P is” substitute...  
18 In paragraph 22 (interpretation: introduction), for “26” substitute “ 27...  
19 After paragraph 23 insert— “Tax”, without more, includes duty.  
20 (1) Paragraph 28 (interpretation) is amended as follows.  
21 In consequence of this Schedule the following provisions are omitted  
—...

SCHEDULE 41 — Penalties: failure to notify and certain VAT and excise  
wrongdoing

*Failure to notify etc*

- 1 A penalty is payable by a person (P) where P...

*Issue of invoice showing VAT by unauthorised person*

- 2 (1) A penalty is payable by a person (P) where...

*Putting product to use that attracts higher duty*

- 3 (1) A penalty is payable by a person (“P”) where...

*Involvement in landfill disposal by unregistered person*

- 3A A penalty is payable by a person (“P”) where P...

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*Handling goods subject to unpaid excise duty etc*

- 4 (1) A penalty is payable by a person (P) where—...

*Degrees of culpability*

- 5 (1) A failure by P to comply with a relevant...

*Amount of penalty: standard amount*

- 6 (1) This paragraph sets out the penalty payable under paragraph...  
 6A (1) A failure is in category 1 if—  
 6AA (1) This paragraph makes provision in relation to offshore transfers....  
 6AB Regulations under paragraph 21B of Schedule 24 to FA 2007...  
 6B The penalty payable under any of paragraphs 2, 3(1) and...  
 6C The penalty payable under paragraph 3(2) is 100% of the...  
 6CA (1) The penalty payable under paragraph 3A is—  
 6D Paragraphs 7 to 11 define “potential lost revenue”.

*Potential lost revenue*

- 7 (1) “The potential lost revenue” in respect of a failure...  
 8 In the case of the making of an unauthorised issue...  
 9 In the case of— (a) the doing of an act...  
 9A In the case of the doing of an act which...  
 10 In the case of acquiring possession of, or being concerned...  
 11 (1) In calculating potential lost revenue in respect of a...

*Reductions for disclosure*

- 12 (1) Paragraph 13 provides for reductions in penalties—  
 13 (1) If a person who would otherwise be liable to...  
 13A (1) If a person who would otherwise be liable to...

*Special reduction*

- 14 (1) If HMRC think it right because of special circumstances,...

*Interaction with other penalties and late payment surcharges*

- 15 (1) The amount of a penalty for which P is...

*Assessment*

- 16 (1) Where P becomes liable for a penalty under any...

*Appeal*

- 17 (1) P may appeal against a decision of HMRC that...  
 18 (1) An appeal shall be treated in the same way...  
 19 (1) On an appeal under paragraph 17(1) the tribunal may...

*Reasonable excuse*

- 20 (1) Liability to a penalty under any of paragraphs 1,...

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*Agency*

- 21 (1) In paragraph 1 the reference to a failure by...

*Companies: officers' liability*

- 22 (1) Where a penalty under any of paragraphs 1, 2,...

*Double jeopardy*

- 23 P is not liable to a penalty under any of...

*Interpretation*

- 24 (1) This paragraph applies for the construction of this Schedule...

*Consequential repeals*

- 25 In consequence of this Schedule the following provisions are omitted  
—...

SCHEDULE 42 — Alcoholic liquor duties: decisions subject to review and appeal

- 1 Schedule 5 to FA 1994 (customs and excise decisions subject...  
2 (1) Sub-paragraph (1) of paragraph 3 (decisions under or for...  
3 (1) Sub-paragraph (2) of paragraph 3 (decisions under regulations  
under...  
4 After sub-paragraph (2) of paragraph 3 insert—  
5 (1) Sub-paragraph (3) of paragraph 3 (decisions under section 55,...  
6 After sub-paragraph (3) of paragraph 3 insert—  
7 After paragraph 9 insert— The Finance Act 1995 Any decision by the  
Commissioners— (a) on a claim under...

SCHEDULE 43 — Taking control of goods etc: consequential provision

Part 1 — CONSEQUENTIAL PROVISION: TAKING CONTROL OF GOODS

*TMA 1970*

- 1 (1) Section 61 of TMA 1970 (distrain by collection) is...

*Social Security Administration Act 1992 (c. 5)*

- 2 In the Social Security Administration Act 1992, omit section 121A...

*FA 1994*

- 3 (1) FA 1994 is amended as follows.

*VATA 1994*

- 4 In VATA 1994, omit section 67A (breach of controlled goods...

*FA 1996*

- 5 In Schedule 5 to FA 1996 (landfill tax), omit paragraph...

*FA 1997*

- 6 In section 51 of FA 1997 (enforcement by distress), omit...

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*FA 2000*

- 7 In Schedule 6 to FA 2000 (climate change levy), omit...

*FA 2001*

- 8 In Schedule 5 to FA 2001 (aggregates levy: recovery and...

*FA 2003*

- 9 In Schedule 12 to FA 2003 (stamp duty land tax:...

*Tribunals, Courts and Enforcement Act 2007 (c. 15)*

- 10 (1) Schedule 12 of the Tribunals, Courts and Enforcement Act...

*Other repeals*

- 11 In consequence of the preceding provisions of this Schedule, omit—...  
Part 2 — CONSEQUENTIAL PROVISION: SUMMARY WARRANT

*TMA 1970*

- 12 In TMA 1970 omit— (a) section 63 (recovery of tax...

*Debtors (Scotland) Act 1987 (c. 18)*

- 13 (1) In section 1 (time to pay directions)—

*Social Security Administration Act 1992 (c. 5)*

- 14 In the Social Security Administration Act 1992, omit section 121B...

*FA 1997*

- 15 In FA 1997, omit section 52 (recovery of relevant tax...

*FA 2003*

- 16 In Schedule 12 to FA 2003 (stamp duty land tax:...

SCHEDULE 44 — Certificates of debt: consequential provision

*TMA 1970*

- 1 In section 70 of TMA 1970 (evidence), omit subsections (1)...

*OTA 1975*

- 2 In the table in paragraph 2(1) of Schedule 2 to...

*IHTA 1984*

- 3 In section 254 of IHTA 1984 (evidence), omit subsection (2)...

*Social Security Administration Act 1992 (c. 5)*

- 4 In section 118 of the Social Security Administration Act 1992...

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*FA 1994*

- 5 In Schedule 7 to FA 1994 (insurance premium tax), in...

*VATA 1994*

- 6 In Schedule 11 to VATA 1994 (administration, collection and enforcement...

*FA 1996*

- 7 In Schedule 5 to FA 1996 (landfill tax), in paragraph...

*FA 2000*

- 8 In Schedule 6 to FA 2000 (climate change levy), in...

*FA 2001*

- 9 In Schedule 7 to FA 2001 (aggregates levy: information and...

*FA 2003*

- 10 In Schedule 12 to FA 2003 (stamp duty land tax:...

*Other repeals*

- 11 In consequence of the preceding provisions of this Schedule, omit—...

SCHEDULE 45 — Vehicle excise duty: offence of using or keeping unlicensed vehicle

*Introductory*

- 1 VERA 1994 is amended as follows.

*Amendments of section 29*

- 2 (1) Section 29 (offence of using or keeping unlicensed vehicle)...

*Amendment of section 30*

- 3 In section 30(2) (additional penalty for keeper of unlicensed vehicle),...

*Amendments of Schedule 2A*

- 4 Schedule 2A (immobilisation, removal and disposal of vehicles) is amended...

- 5 (1) Paragraph 1 (immobilisation) is amended as follows.

- 6 In paragraph 2(4) (offences connected with immobilisation), for paragraphs (a)...

- 7 (1) Paragraph 3 (removal and disposal of vehicles) is amended...

- 8 In paragraph 4(1) (offences as to securing possession of vehicles),...

SCHEDULE 46 — Government borrowing: alternative finance arrangements

*Introduction*

- 1 In this Schedule “regulations” means regulations under section 157.

**Changes to legislation:** Finance Act 2008 is up to date with all changes known to be in force on or before 24 April 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) View outstanding changes

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- 2 Paragraphs 3 to 14 do not limit the generality of...

*Alternative finance arrangements that are to be available*

- 3 (1) Regulations may make provision about the kind or kinds...

*Terms, conditions and procedures*

- 4 (1) Regulations may make provision about— (a) the terms on...

*Decisions to raise money through alternative finance arrangements*

- 5 (1) Regulations may make provision about decisions by the Treasury...

*Involvement of persons other than the Treasury*

- 6 (1) Regulations may make provision about the involvement of persons...

*Ancillary arrangements*

- 7 (1) Regulations may make provision about ancillary arrangements.

*Property*

- 8 (1) Regulations may make provision about property to be employed...

*Powers and duties*

- 9 Regulations may confer powers, or impose duties, on any person...

*Liabilities*

- 10 Regulations may make— (a) provision for expenditure and other liabilities...

*Money raised*

- 11 (1) Regulations may make provision about the treatment of money...

*Other legislation*

- 12 (1) Regulations may make modifications of any enactment.

*Things to be done otherwise than in regulations*

- 13 (1) The power under paragraph 3(2), 4(2), 7(3), 8(2)(b) or...

- 14 (1) This paragraph applies if regulations provide for a person...

*Regulations to be made by SI*

- 15 Regulations are to be made by statutory instrument.

*Parliamentary scrutiny*

- 16 (1) A statutory instrument containing regulations that amend or repeal...

*Interpretation*

- 17 (1) In this Schedule a reference to a person other...

**Changes to legislation:**

Finance Act 2008 is up to date with all changes known to be in force on or before 24 April 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.

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**Changes and effects yet to be applied to :**

- s. 131 extended to Scotland by [2016 c. 24 s. 178\(1\)](#)
- Sch. 7 para. 92-94 omitted by [2008 c. 9 s. 41\(7\)\(l\)](#)
- Sch. 17 para. 30 omitted by [2008 c. 9 s. 41\(7\)\(l\)](#)
- Sch. 36 para. 21(1) words inserted by [2017 c. 32 Sch. 14 para. 38\(2\)](#)
- Sch. 36 para. 37(2)(a) words inserted by [2017 c. 32 Sch. 14 para. 38\(3\)](#)
- Sch. 41 para. 6(2)(a) word substituted by [2015 c. 11 Sch. 20 para. 10\(3\)\(a\)](#)
- Sch. 41 para. 6(2)(b) word substituted by [2015 c. 11 Sch. 20 para. 10\(3\)\(b\)](#)
- Sch. 41 para. 6(2)(c) word substituted by [2015 c. 11 Sch. 20 para. 10\(3\)\(c\)](#)
- Sch. 41 para. 6(5) word substituted by [2015 c. 11 Sch. 20 para. 10\(4\)](#)
- Sch. 41 para. 13(3) Table words inserted by [2015 c. 11 Sch. 20 para. 13](#)
- Sch. 41 para. 1 Table words inserted by [2023 c. 30 Sch. 13 para. 30\(2\)](#)
- Sch. 41 para. 1 Table words omitted by [2023 c. 30 Sch. 13 para. 30\(3\)\(a\)](#)
- Sch. 41 para. 1 Table words omitted by [2023 c. 30 Sch. 13 para. 30\(3\)\(b\)](#)

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

- Blanket amendment words substituted by [S.I. 2011/1043 art. 34](#)

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

- Sch. 41 para. 6(1A) inserted by [2015 c. 11 Sch. 20 para. 10\(2\)](#)
- Sch. 41 para. 6A(A1)(1) substituted for Sch. 41 para. 6A(1) by [2015 c. 11 Sch. 20 para. 11\(2\)](#)