



# Finance Act 1970

## 1970 CHAPTER 24

An Act to grant certain duties, to alter other duties, and to amend the law relating to the National Debt and the Public Revenue, and to make further provision in connection with Finance. [29th May 1970]

Most Gracious Sovereign

WE, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom in Parliament assembled, towards raising the necessary supplies to defray Your Majesty's public expenses, and making an addition to the public revenue, have freely and voluntarily resolved to give and to grant unto your Majesty the several duties hereinafter mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### PART I

#### CUSTOMS AND EXCISE

#### **1 Alteration of general betting duty and repeal of betting premises licence duty**

- (1) The general betting duty in respect of any bet made on or after 27th April 1970 shall—
  - (a) if it is an on-course bet, be of an amount equal to 5. per cent, of the amount staked, and
  - (b) if it is not an on-course bet, be of an amount equal to 6. per cent, of the amount staked.
- (2) Where it is shown to the satisfaction of the Commissioners that a bookmaker has laid off the whole or any part of an on-course bet made with him by making an on-course bet (in this subsection called a "hedging" bet), being a dutiable bet made in the course of the same meeting, and on the same contingency, as the first-mentioned bet, and that

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both the bookmaker making, and the person accepting, the hedging bet have complied with such conditions as the Commissioners think fit to impose for the protection of the revenue, the first-mentioned bet shall, up to the amount staked by the hedging bet, be exempt from general betting duty, and the Commissioners shall remit or repay duty accordingly.

In giving relief under this subsection, in no circumstances may any part of the amount staked by a hedging bet be brought into account more than once.

This subsection applies to bets made on or after 27th April 1970.

- (3) In this section an "on-course bet" means a bet made in the course of a meeting—
- (a) with a bookmaker present at the meeting, or
  - (b) by means of a totalisator situated on premises forming part of the track,
- where—
- (i) the person making the bet (that is to say the person originating the bet and not any agent or intermediary) is present at the meeting, or
  - (ii) the bet is made by a person carrying on a bookmaking business acting as a principal (and not acting as agent for, or on behalf of, some other person).
- (4) For the purposes of this section—
- (a) "dutiable bet" means a bet to which section 12(1) of the Finance Act 1966 (application of general betting duty) applies,
  - (b) "meeting" means any occasion on any one day on which events take place on any track,
  - (c) expressions defined by section 15(6) of the Finance Act 1966 shall have the same meanings in this section.
- (5) As from 27th April 1970 section 2(4) of the Finance Act 1969 (betting premises licence for off-course betting) shall cease to have effect.
- (6) On application made to the proper officer in respect of a betting premises licence for a period falling partly after 27th April 1970 the duty paid or payable on the licence shall, subject to subsection (7) below, be repaid or remitted to the following extent—
- (a) five-twelfths of the duty on the licence, if the period of validity of the licence began before 1st January 1970,
  - (b) five-ninths of the duty on the licence, if the period of validity of the licence began in 1970, but before 1st April 1970,
  - (c) five-sixths of the duty on the licence, if the period of validity of the licence began after 31st March 1970,
- and any amount so repayable shall be paid to the person who is the holder of the licence on 27th April 1970.
- (7) If, under arrangements made by the Commissioners, the holder of a betting premises licence was allowed to pay the duty on the licence by twelve monthly instalments payable on the first day of each month, subsection (6) above shall not apply, but all duty first becoming payable under the arrangements after April 1970 shall be remitted.
- (8) Where subsection (6) or subsection (7) above applies, the amount of any penalty under paragraph 9(a), and the amount of any duty on a licence under paragraph 9(b), of Schedule 8 to the Finance Act 1969 shall be adjusted accordingly.

## **2 Gaming licence duty**

- (1) There shall be charged a duty of excise on a licence (to be known as a gaming licence) authorising the use of premises specified in the licence for the purpose of gaming by way of any game to which this section for the time being applies.
- (2) A gaming licence shall be a licence for the period from 1st October in any year to 31st March in the following year, or from 1st April in any year to 30th September in that year (all dates inclusive).
- (3) The amount of the duty under this section on a gaming licence in respect of any premises shall be determined in accordance with the Table in, and the other provisions of, Schedule 1 to this Act.
- (4) Without prejudice to subsections (5) and (6) of this section, the games to which this section applies are baccarat, punto banco, big six, blackjack, boule, chemin de fer, chuck-a-luck, craps, crown and anchor, faro, faro bank, hazard, poker dice, pontoon, French roulette, American roulette, trente et quarante, vingt-et-un, and wheel of fortune.
- (5) The Treasury may by order made by statutory instrument add to the games mentioned in subsection (4) of this section any game not for the time being mentioned therein if it appears to the Treasury proper so to do for the protection of the revenue, having regard to the character of the game and the circumstances in which it is played; but a statutory instrument containing an order under this subsection shall be laid before the Commons House of Parliament after being made, and the order shall cease to have effect at the end of twenty-eight days after the day on which it was made (but without prejudice to anything previously done under the order or to the making of a new order) unless at some time before the end of those twenty-eight days the order is approved by resolution of that House ; and, in reckoning for the purposes of this subsection any period of twenty-eight days, no account shall be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.
- (6) Any reference in this section or in any order under subsection (5) thereof to a particular game shall be taken to include a reference to any game (by whatever name called) which is essentially similar to that game; and in proceedings relating to the gaming licence duty under the excise Acts an averment in any process that a particular game is essentially similar to another particular game shall, until the contrary is proved, be sufficient evidence that it is so.
- (7) Gaming taking place on any premises at a time when no licence is in force as respects those premises under the Gaming Act 1968 shall not require the authority of a gaming licence under this section.
- (8) Subject to subsection (7) above, all gaming taking place after 30th September 1970 by way of any game to which this section for the time being applies shall require the authority of a gaming licence under this section, and as respects gaming after that date section 13 of the Finance Act 1966 (which is superseded by this section) shall cease to have effect.
- (9) Part II of Schedule 1 to this Act shall have effect for supplementing the provisions of this section (in that Schedule called " the principal section ").
- (10) In this section and in the said Schedule—  
" gaming " has the same meaning as in the Gaming Act 1968, and

" premises " includes any place and any means of transport.

### **3 Gaming machines**

- (1) No more than one gaming machine licence shall be in force at any time as respects the gaming machines on any premises, except that there may be one ordinary gaming machine licence as respects the gaming machines chargeable at the lower rate, and one ordinary gaming machine licence as respects the gaming machines chargeable at the higher rate.
- (2) In accordance with subsection (1) above, in ascertaining whether there has been a contravention of section 5(11) of the Finance Act 1969 (failure to take out appropriate licence) in respect of any premises, two (but not more than two) ordinary gaming machine licences may be taken into account if one relates only to machines chargeable at the lower rate, and the other to machines chargeable at the higher rate, and in other cases only one licence may be taken into account.
- (3) The proper officer may, in such manner as the Commissioners may direct, and without any additional payment, amend a gaming machine licence by substituting different premises for those in respect of which it is for the time being in force, but—
  - (a) this subsection shall not be taken as authorising any amendment affecting the number or descriptions of gaming machines authorised by the licence, and
  - (b) in the case of an ordinary licence, the proper officer must be satisfied that there is no other licence in force as respects the new premises, except where the transfer is of a licence relating only to machines chargeable at the lower rate, or the higher rate, and the licence already in force relates only to machines chargeable at the other rate.
- (4) Section 5(2) of the Finance Act 1969 shall be amended as follows.

For the words from ' a " penny machine "' to the end of the subsection substitute ' a " penny machine " is a gaming machine which, in order to be played once, requires the insertion of—

- (a) a single new penny, or
- (b) a single new halfpenny, or
- (c) a single penny,

and which cannot be played in any other way.'

### **4 Tobacco substitutes**

- (1) Notwithstanding anything in Part V of the Customs and Excise Act 1952 (which relates to tobacco and, in particular, imposes prohibitions on the manufacture, use, sale and possession of substances resembling tobacco), the Commissioners may make regulations authorising the manufacture of tobacco substitutes and their use in the production of cigarettes, pipe tobacco, cigars and other products intended for smoking or, though not so intended, customarily made from tobacco (all of which products are in the following provisions of this section referred to as " products for smoking " ).
- (2) Subject to the provisions of regulations under this section—
  - (a) the duties of excise on tobacco shall be charged on tobacco substitutes manufactured in the United Kingdom as if the substitutes were unmanufactured tobacco;

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- (b) the duties of customs on tobacco shall be charged on the importation of tobacco substitutes as if the substitutes were tobacco; and
  - (c) for the purpose of any enactment relating to drawback on tobacco, tobacco substitutes shall be deemed to be tobacco.
- (3) Regulations under this section may provide that, subject to such exceptions as may be specified in the regulations, no person shall manufacture tobacco substitutes unless he holds a licence for the purpose expiring on such day in each year as may be so specified; and there shall be charged on any such licence a duty of excise of £10.
- (4) Without prejudice to the generality of subsection (1) above, regulations under this section may—
  - (a) apply in relation to tobacco substitutes, subject to such modifications as may be specified in the regulations but otherwise as they apply in relation to tobacco, any provisions contained in Part V of the Customs and Excise Act 1952 ;
  - (b) regulate the manufacture of tobacco substitutes and prohibit the importation of tobacco substitutes (whether or not forming part of products for smoking) containing any ingredient the use of which in the manufacture of tobacco substitutes is prohibited by the regulations ;
  - (c) contain provisions for the protection of the revenue,  
including provisions corresponding to those which, by virtue of section 177 or section 179 of the said Act of 1952, may be contained in regulations under those sections relating to the manufacture and growing of tobacco;
  - (d) require the deposit of tobacco substitutes in a warehouse in such cases as may be specified in the regulations ;
  - (e) in order to secure a comparable treatment of tobacco and tobacco substitutes for the purposes of duties of customs and excise, provide in such cases as may be so specified for reductions in the amount of duty which would otherwise be payable on tobacco substitutes by virtue of subsection (2) above ; and
  - (f) contain provisions for the exemption, remission or repayment of duty in respect of tobacco substitutes in such cases as may be so specified.
- (5) The Commissioners may by regulations provide that—
  - (a) in order to secure that tobacco does not bear a double duty of customs or excise by virtue of any provision made by or under this section, the amount of duty which would otherwise be payable in respect of tobacco shall be reduced in accordance with, and in such cases as may be specified in, the regulations; and
  - (b) where any tobacco refuse or tobacco stalks is or are delivered to a manufacturer of tobacco substitutes, the amount of any drawback payable shall be reduced in accordance with, and in such cases as may be specified in, the regulations.
- (6) Any person contravening or failing to comply with any provision of regulations under this section shall be liable to a penalty of £200, and any article in respect of which, or found on premises in respect of which, the offence was committed shall be liable to forfeiture.
- (7) Subject to subsection (8) below, in this section " tobacco substitutes " means substances (including substances containing or manufactured from tobacco) of a kind which are, or in the opinion of the Commissioners may be, used in substitution wholly or partly for tobacco in the manufacture of products for smoking.

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(8) Notwithstanding anything in subsection (7) above, the following substances are not "tobacco substitutes" for the purposes of this section, namely—

- (a) substances which by virtue of paragraphs (a) to (e) of section 176(1) of the Customs and Excise Act 1952 may be used in manufacturing tobacco ;
- (b) any substance which, by virtue of the said section 176(1), is permitted by the Commissioners to be used in manufacturing tobacco and which is used in accordance with such conditions and restrictions applicable to that use as may have been imposed under that section; and
- (c) substances which in the opinion of the Commissioners are intended solely for use in the manufacture of products commonly known as herbal smoking mixtures or herbal cigarettes.

## **5 Miscellaneous amendments of law relating to customs and excise**

The provisions of Schedule 2 to this Act shall have effect, being provisions—

- (a) relating to duties of customs and excise and drawback on tobacco; and
- (b) modifying customs procedures in relation to standing deposits and the use of computers ;

and in that Schedule " the Act of 1952 " means the Customs and Excise Act 1952.

## **6 Angostura bitters**

(1) On the importation of the aromatic flavouring essence commonly known, and in this section referred to, as angostura bitters, the Commissioners may, subject to such conditions as they see fit to impose, direct the bitters to be treated for the purposes of section 1 of the Finance Act 1964 (duties of customs and excise on spirits) as not being spirits.

(2) Angostura bitters shall be deemed not to be spirits for the purposes of—

- (a) Part IV of the Customs and Excise Act 1952, other than section 172 of that Act (ascertainment of strength, etc. of spirits); and
- (b) the Licensing (Scotland) Act 1959, the Licensing Act 1964 and any other enactment (whether passed before or after the commencement of this Act) in which " spirits " has the same meaning as in either of those Acts;

and accordingly angostura bitters shall be treated as a non-intoxicating drink for the purposes of the enactments specified in paragraph (b) above.

## **7 Decimal currency: customs and excise**

(1) This subsection has effect as respects the enactments specified in subsection (2) below (which mention amounts of money in the old currency the equivalent of which in the new currency consist of or include inconvenient fractions of a new penny).

The Treasury may by order substitute for any amount so mentioned the nearest lesser amount, expressed in the new currency, which appears to them suitable and convenient.

(2) The said enactments are—

Schedule 5 to the Finance Act 1969 and section 181(1) of the Customs and Excise Act 1952 (tobacco; duty, drawback and allowance).

Section 4 of the Finance Act 1951 as amended by section 4 of the Finance Act 1963 (duties on matches).

So much of Schedule 3 to the Finance Act 1969 as relates to wine exceeding 42 degrees proof spirit.

Table 2 in Schedule 1 to the Finance Act 1964 (imported perfumed spirits).

Section 104 of the Customs and Excise Act 1952 (export of British compounded spirits).

- (3) An order made under this section shall not have effect from a date earlier than the appointed day.
- (4) If and so far as an order made under this section amends any of the rates of drawback in Table 3 in Schedule 5 to the Finance Act 1969 (tobacco), the rate of drawback as so amended shall apply (from the date when the amendment has effect) to all tobacco on which duty has been paid at the appropriate rate in the said Schedule 5 either as originally enacted, or as amended by an order under this section.
- (5) In section 273(3) of the Customs and Excise Act 1952 (odd fractions of a penny) for the words " a penny " substitute " a new penny ".

This subsection shall come into force on the appointed day, and shall extend to the Isle of Man.

- (6) An order under this section—
  - (a) may include such consequential, supplementary or transitional provisions as the Treasury think fit, and
  - (b) may be revoked or varied by a subsequent order.
- (7) An order under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.
- (8) In this section " the appointed day ", " the new currency " and " the old currency " have the meanings given by section 16(1) of the Decimal Currency Act 1969.

## **8 Hover vehicles: relief from duty on oils**

In Schedule 2 to the Finance Act 1966 (application of Customs and Excise Act 1952 to hover vehicles) for paragraph 4(2) substitute—

“(2) Section 204 of the said Act (relief from duty of oils used as fuel for ships in home waters) shall apply as if references to ships included references to hover vehicles; and in that section " pleasure yacht", " voyage ", " reland " and other expressions shall be construed accordingly.”

## **9 Amendments relating to vehicles excise duty etc.**

- (1) In section 6 of the Vehicles (Excise) Act 1962 (in this section referred to as " the 1962 Act") in subsection (1)(g) (which exempts from vehicles excise duty invalid carriages not exceeding six hundredweight unladen) for the word " six " there shall be substituted the word " eight ".
- (2) In section 12(1) of the 1962 Act (vehicles for which trade licences may be issued) after paragraph (ii) there shall be inserted the words “or

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- (iii) in the case of a motor trader who is a manufacturer of mechanically propelled vehicles, for all vehicles kept and used by him solely for purposes of conducting research and development in the course of his business as such a manufacturer”.
- (3) In section 12(10) of the 1962 Act, in the definition of " recovery vehicle", which was inserted by paragraph 2 of Part II of Schedule 12 to the Finance Act 1969, for the words from " on which " to " designed primarily " there shall be substituted the words " on which there is mounted, or which is drawing, or which is carrying as part of its equipment, apparatus designed for raising a disabled vehicle wholly or partly from the ground or for drawing a disabled vehicle when so raised, and which is not used " .
- (4) Subject to subsection (5) below, for the purpose of calculating any amount due on or after 15th February 1971 from or to any person under any provision of the 1962 Act, section 12 of the Finance Act 1967 (additional liability for keeping unlicensed vehicle) or the Vehicle and Driving Licences Act 1969, any fraction of a new penny in that amount shall be disregarded ; and accordingly section 9(3) of the 1962 Act and so much of section 8(3) of the said Act of 1969 as relates to disregarding fractions of a penny shall on that day cease to have effect.
- (5) Subsection (4) above shall not apply for the purpose of calculating any amount due under any provision of section 2(2) or section 12.(5) of the 1962 Act relating to the duty on a vehicle licence or trade licence for a period of less than a year.
- (6) This section shall come into force on 1st September 1970.

## **10 Continuation of powers under section 9 of Finance Act 1961**

The period after which orders of the Treasury made under section 9 of the Finance Act 1961 may not be made or continue in force (which, by section 1(1)(Z>) of the Finance Act 1969, was extended until the end of August 1970) shall extend until the end of August 1971 or such later date as Parliament may hereafter determine.

## **PART II**

### **INCOME TAX AND CORPORATION TAX**

## **CHAPTER I**

### **GENERAL**

## **11 Charge of income tax for 1970-71**

- (1) Income tax for the year 1970-71 shall be charged at the standard rate of 41-25 per cent, and, in the case of an individual whose total income exceeds £2,500, at such higher rates in respect of the excess over £2,000 as Parliament may hereafter determine.
- (2) Accordingly, in section 3(1) of the Taxes Act (effect of Act charging tax at a standard rate and, in the case of an individual whose total income exceeds a stated amount, at a higher rate or rates in respect of any part or parts of his income in excess of that amount) the words " in excess of that amount" shall be omitted.



## 12 Surtax rates for 1969-70

- (1) Subject to subsection (2) below, income tax for the year 1969-70 shall be charged, in the case of an individual whose total income exceeded £2,500, at a rate, for every £1 of each part specified in the following Table of the excess of that income over £2,000, equal to the standard rate for that year plus the additional rate so specified for that part.

TABLE

<i>Part of excess</i>	<i>Additional rate</i>
The first £500	10%
The next £500	12.5%
The next £1,000	17.5%
The next £1,000	22.5%
The next £1,000	27.5%
The next £2,000	32.5%
The next £2,000	37.5%
The next £2,000	42.5%
The next £3,000	47.5%
The remainder	50%

- (2) An individual whose total income for the year 1969-70 did not exceed £2,681 shall be entitled to have the surtax chargeable by virtue of subsection (1) above reduced to an amount equal to 40 per cent, of the difference between his total income and £2,500.
- (3) By reason of subsection (1) above, in section 2(1) of the Income Tax Act 1952 (effect, for years preceding 1970-71, of Act charging tax at a standard rate and, in the case of an individual whose total income exceeds a stated amount, at a higher rate or rates in respect of any part or parts of his income in excess of that amount), the words " in excess of that amount" shall be omitted.

## 13 Charge of corporation tax for financial year 1969

Corporation, tax shall be charged for the financial year 1969 at the rate of 45 per cent.

## 14 Alterations of personal reliefs

- (1) For the year 1970-71 and subsequent years of assessment, Chapter II of Part I of the Taxes Act (personal reliefs) shall have effect subject to the following amendments: —
- (a) in section 8 (married and single relief)—
    - (i) in subsection (1)(a) (married), for the reference to £375 there shall be substituted a reference to £465,
    - (ii) in subsection (1)(b) (single), for the reference to £255 there shall be substituted a reference to £325,
    - (iii) in subsection (2) (wife's earned income relief), for the reference to £255 there shall be substituted a reference to £325, and

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- (iv) in subsection (3) (amount of married relief in year of marriage), for the words "reduced by £10 for each month of the year ending before the date of the marriage " there shall be substituted " reduced, for each month of that year ending before the date of the marriage, by one-twelfth of the amount by which it exceeds the sum specified in paragraph (b) of that subsection ".
  - (b) section 22 (reduced rate relief) shall cease to have effect, and, in section 5 (introductory), for the reference to sections 6 to 22 there shall be substituted a reference to sections 6 to 21;
  - (c) in section 7 (relief for persons over 65 with small incomes)—
    - (i) for the references to £425 and £680 (income limits for exemption) there shall be substituted references to £475 and £740,
    - (ii) for the reference to £265 (the excess over those limits beyond which relief by reduction of tax is excluded) there shall be substituted a reference to £255, and
    - (iii) for the reference to nine-twentieths (the fraction governing relief by reduction of tax) there shall be substituted a reference to 50 per cent.;
  - (d) in section 6(2) (relief for small incomes), for the reference to £710 (the income limit for marginal relief) there shall be substituted a reference to £750, and for the reference to one-half (the fraction governing marginal relief) there shall be substituted a reference to 55 per cent.;
  - (e) in section 16 (relief for dependent relative), for the reference in subsection (1) to £245 (lower income limit of dependent relative) there shall be substituted a reference to £260, for the references in subsections (1) and (2) to £320 (the normal higher income limit) there shall be substituted references to £335, and for the reference in subsection (2) to £355 (the higher income limit where the claimant is a woman other than a married woman living with her husband) there shall be substituted a reference to £370 ; and
  - (f) in section 14(1)(a) (additional relief for widows and others in respect of children: relief excluded in the case of a woman who is not a widow unless in full time occupation or totally incapacitated), the words from " except that it does not apply " to " physical or mental infirmity " shall be omitted.
- (2) The amounts of tax deductible or repayable under section 204 of the Taxes Act (pay as you earn) before 6th July 1970 shall be deemed not to have been affected by the provisions of subsection (1) above other than paragraph (e), but this subsection shall not prevent any necessary correction being made on or after that day by adjusting subsequent deductions or repayments under that section, or, if need be, by an assessment.

## **15 Increase in initial allowances for industrial buildings**

- (1) In relation to capital expenditure incurred, at any time within the period beginning on 6th April 1970 and ending on 5th April 1972, on the construction of a building or structure in such circumstances that a person becomes entitled to an initial allowance within the meaning of section 1 of the Capital Allowances Act 1968, for the words " three-twentieths " in subsection (2) of that section (the rate of allowance) there shall be substituted—
- (a) in a case falling within subsection (2) below, the words " two-fifths " ; and
  - (b) in any other case, the words " three-tenths ".

- (2) The higher rate of initial allowance specified in subsection (1)(a) above applies if the building or structure concerned is situated in an area which is a development area or an intermediate area—
  - (a) on the date on which the capital expenditure is incurred ; or
  - (b) if the contract under which the capital expenditure is incurred was entered into on or after 6th April 1970, on the date on which that contract was entered into; or if the building or structure concerned is situated in Northern Ireland.
- (3) For the purposes of subsection (2) above—
  - " development area " has the same meaning as in Part I of the Local Employment Act 1960; and
  - " intermediate area " has the same meaning as in the Local Employment Act 1970.
- (4) Expenditure shall not be treated for the purposes of this section as having been incurred after the date on which it was in fact incurred by reason only of section 1(6) of the Capital Allowances Act 1968 (expenditure incurred before trade began) or section 5(1) of that Act (purchase of unused buildings and structures).

## **16 Public transport undertakings**

- (1) In computing for any accounting period (whether beginning before or after the commencement of this Act) the profits chargeable to corporation tax of a Passenger Transport Executive or of the London Transport Executive, there shall be left out of account—
  - (a) any amounts paid to Passenger Transport Executives in pursuance of precepts issued under section 13 of the Transport Act 1968 ;
  - (b) any grants made to the London Transport Executive by the Greater London Council under section 3(1)(a) of the Transport (London) Act 1969.
- (2) In computing the profit or loss of a Passenger Transport Executive in its trade in the first accounting period ending after 5th April 1970, the Executive shall be treated as having incurred a loss equal to the aggregate of the income tax losses and allowances (as defined in subsection (3) below) of each local authority whose interests in a transport undertaking (in this section referred to in relation to the local authority as " the transferred undertaking ") were transferred to the Executive by virtue of an order under section 17 of the Transport Act 1968; and section 177(1) of the Taxes Act (set-off of losses against trading income in succeeding accounting periods) shall apply accordingly.
- (3) For the purposes of subsection (2) above the income tax losses and allowances of a local authority means the following losses and allowances attributable to the transferred undertaking namely—
  - (a) those losses (if any) which were incurred in or before the year 1965-66 in carrying on the undertaking and which, apart from any provision of the Finance Act 1965 (and in particular section 66, which exempted a local authority from income tax and corporation tax) would have been available to the local authority for set-off for tax purposes in the following year of assessment against income arising from the undertaking; and
  - (b) so much of the allowances which by virtue of section 323 of the Income Tax Act 1952 were in the year 1965-66 available as a deduction in charging the profits or gains of the transferred undertaking for that year as, apart from

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any such provision as is referred to in paragraph (a) above, would have been available as such a deduction in the following year of assessment.

- (4) The provisions of Schedule 3 to this Act shall have effect in consequence of the transfer, under Part III of the Transport (London) Act 1969 of the property, rights, liabilities and functions of the London Transport Board to the London Transport Executive and London Country Bus Services Limited (being the subsidiary of the National Bus Company which is " the designated company " for the purposes of that Act).

## **17 Interest relief: loans for purchase or improvement of land**

In section 57 of the Taxes Act (loans for purchase or improvement of land) after subsection (3) (restriction of relief on overdraft interest on money applied in improving land) insert—

“(3A) Subsection (3) above shall not apply where the loan is applied in improving land which is—

- (a) farm land or market garden land, or
- (b) woodlands which are managed on a commercial basis and with a view to the realisation of profits,

and in this subsection the definitions of " farm land " and " market garden land " in section 526(5) of this Act shall apply as if references to the United Kingdom included references to the Republic of Ireland”,

and paragraph 9(8) and (9) of Schedule 4 to this Act shall have effect for the purpose of making a corresponding amendment in section 19 of the Finance Act 1969.

## **18 Miscellaneous amendments of income tax and corporation tax law**

Schedule 4 to this Act (which contains amendments of the Taxes Act and of the Capital Allowances Act 1968) shall have effect.

# **CHAPTER II**

## **OCCUPATIONAL PENSION SCHEMES**

## **19 Conditions for approval of schemes**

- (1) The Board shall approve any retirement benefits scheme for the purposes of this Chapter if the scheme satisfies all of the prescribed conditions, that is to say the conditions set out in subsection (2) below, and the conditions as respects benefits in Part I of Schedule 5 to this Act.

- (2) The said conditions are—

- (a) that the scheme is bona fide established for the sole purpose of providing relevant benefits in respect of service as an employee (as defined in this Chapter), being benefits payable to, or to the widow, children or dependants or personal representatives of, the employee,
- (b) that the scheme is recognised by the employer and employees to whom it relates, and that every employee who is, or has a right to be, a member of

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- the scheme has been given written particulars of all essential features of the scheme which concern him,
- (c) that there is a person resident in the United Kingdom who will be responsible for the discharge of all duties imposed on the administrator of the scheme under this Chapter,
  - (d) that the employer is a contributor to the scheme,
  - (e) that the scheme is established in connection with some trade or undertaking carried on in the United Kingdom by a person resident in the United Kingdom,
  - (f) that, where the employer is a company, no service of a person, in whatever capacity, rendered by him while he is a controlling director of the company is taken into account for any of the purposes of the scheme,
  - (g) that in no circumstances, whether during the subsistence of the scheme or later, can any amount be paid by way of repayment of an employee's contributions under the scheme.
- (3) If in the opinion of the Board the facts concerning any scheme or its administration cease to warrant the continuance of their approval of the scheme, they may at any time by notice in writing to the administrator withdraw their approval on such grounds, and from such date, as may be specified in the notice.
- (4) Where an alteration has been made in a retirement benefits scheme, the scheme shall, for the purposes of this Chapter, be deemed to have become a new scheme coming into being on the date of the alteration, and accordingly no approval given as respects the scheme before the alteration shall apply after the date of the alteration:
- Provided that this subsection shall not apply to an alteration approved by the Board. "
- (5) For the purpose of determining whether a retirement benefits scheme, so far as it relates to a particular class or description of employees, satisfies or continues to satisfy the prescribed conditions that scheme shall be considered in conjunction with any other retirement benefits scheme or schemes relating to employees of that class or description, and, if those conditions are satisfied in the case of both or all of those schemes taken together, they shall be taken to be satisfied in the case of each of them but otherwise those conditions shall be taken to be satisfied in the case of none of them.
- (6) No approval shall be given as respects any period before 6th April 1970.

## **20 Discretionary approval**

- (1) The Board may, if they think fit, having regard to the facts of a particular case, and subject to such conditions, if any, as they think proper to attach to the approval, approve a retirement benefits scheme for the purposes of this Chapter notwithstanding that it does not satisfy one or more of the prescribed conditions.
- (2) The Board may in particular approve by virtue of this section a scheme—
- (a) which exceeds the limits imposed by the prescribed conditions as respects benefits for less than 40 years' service, or
  - (b) which exceeds the limits imposed by the prescribed conditions as respects benefits payable on the death of the employee, and in particular which provides a pension for the employee's widow, or
  - (c) which provides for the return in certain contingencies of employees' contributions, or

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- (d) which relates to a trade or undertaking carried on only partly in the United Kingdom, and by a person not resident in the United Kingdom.
- (3) In applying this section to an existing scheme the Board shall exercise their discretion, in such cases as appear to them appropriate, so as—
  - (a) to preserve benefits earned or rights arising out of service before approval under this Chapter or before the date on which section 23 of this Act comes into force, whichever is the earlier, and
  - (b) to preserve any rights to death-in-service benefits conferred by rules of the scheme in force on 26th February 1970.

## **21 Certain approved schemes: exemptions and reliefs**

- (1) This section has effect as respects—
  - (a) any approved scheme which is shown to the satisfaction of the Board to be established under irrevocable trusts, or
  - (b) any other approved scheme as respects which the Board, having regard to any special circumstances, direct that this section shall apply,
 and any scheme which is for the time being within paragraph (a) or (b) above is in this Chapter referred to as an " exempt approved scheme ".
- (2) Exemption from income tax shall, on a claim being made in that behalf, be allowed in respect of income derived from investments or deposits if, or to such extent as the Board are satisfied that, it is income from investments or deposits held for the purposes of the scheme.
- (3) Any sum paid by an employer by way of contribution under the scheme shall for the purposes of Case I or II of Schedule D, and of the provisions of Chapter I of Part ) (II of the Taxes Act relating to expenses of management, be allowed to be deducted as an expense, or expense of management, incurred in the chargeable period in which the sum is paid:
 

Provided that—

  - (a) the amount of an employer's contributions which may be so deducted shall not exceed the amount contributed by him under the scheme in respect of employees in a trade or undertaking in respect of the profits of which the employer is assessable to tax (that is to say United Kingdom income tax or corporation tax),
  - (b) a sum not paid by way of an ordinary annual contribution shall for the purposes of this subsection be treated, as the Board may direct, either as an expense incurred in the chargeable period in which the sum is paid, or as an expense to be spread over such period of years as the Board think proper.
- (4) Any ordinary annual contribution paid under the scheme by an employee shall, in assessing tax under Schedule E, be allowed to be deducted as an expense incurred in the year of assessment in which the contribution is paid.
- (5) Relief shall not be given under section 19 or 20 of the Taxes Act (life assurance premiums and other payments) in respect of any payment in respect of which an allowance can be made under subsection (4) above.
- (6) There shall be exempt from tax chargeable under Case VII of Schedule D any gain accruing to a person from his acquisition and disposal of investments if, or to such

extent as the Board are satisfied that, the investments are or were held by him or on his behalf for the purposes of the scheme.

- (7) For the purposes of capital gains tax a gain shall not be a chargeable gain where it accrues to a person on his disposal of investments if, or to such extent as the Board are satisfied that, those investments were held by him or on his behalf for the purposes of the scheme.
- (8) Nothing in this section shall be construed as affording relief in respect of any sums to be brought into account under section 314 of the Taxes Act (pension business of insurance companies).
- (9) This section has effect only as respects income arising or gains accruing or contributions paid at a time when the scheme is an exempt approved scheme.
- (10) Neither section 208 nor 209 of the Taxes Act (relief for superannuation funds and statutory pension schemes) shall apply as respects an exempt approved scheme, and the said section 208 shall cease to have effect on 6th April 1972 or such later date as the Treasury may by order in a statutory instrument made before 6th April 1972 appoint.
- (11) Neither subsection (1) nor subsection (2) of section 220 of the Taxes Act (which will be superseded by section 23 of this Act) shall apply to an approved scheme.

## **22 Certain statutory schemes: exemptions and reliefs**

- (1) This section has effect as respects any statutory scheme established under a public general Act.
- (2) Any contribution paid under the scheme by any officer or employee shall, in assessing tax under Schedule E, be allowed to be deducted as an expense incurred in the chargeable period for which the contribution is paid and relief shall not be given under section 19 or 20 of the Taxes Act in respect of any contribution allowable as a deduction under this subsection.
- (3) This section has effect subject to section 210 of the Taxes Act (disallowance of contributions for widows' and other pensions).
- (4) This section shall come into force on such date as the Treasury may by order in a statutory instrument appoint.

## **23 Taxation in respect of certain schemes**

- (1) Subject to the provisions of this Chapter, where, pursuant to a retirement benefits scheme, the employer in any year of assessment pays a sum with a view to the provision of any relevant benefits for any employee of that employer, then (whether or not the accrual of the benefits is dependent on any contingency)—
  - (a) the sum paid, if not otherwise chargeable to income tax as income of the employee, shall be deemed for all the purposes of the Income Tax Acts to be income of that employee for that year of assessment and assessable to tax under Schedule E, and
  - (b) where the payment is made under such an insurance or contract as is mentioned in section 19 of the Taxes Act, relief, if not otherwise allowable, shall be given to that employee under the said section 19 in respect of the payment to the extent, if any, to which such relief would have been allowable

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to him if the payment had been made by him and the insurance or contract under which the payment is made had been made with him.

(2) Subject to the provisions of this Chapter, where—

- (a) the circumstances in which any relevant benefits under a retirement benefits scheme are to accrue are not such as will render the benefits assessable to income tax under Schedule E as emoluments of the employee in respect of whom the benefits are paid, and
- (b) the provision of those benefits is not, or is not fully, secured by the payment of sums by the employer with a view to the provision of those benefits,

then (whether or not the accrual of the benefits is dependent on any contingency) an amount equal to the cost, estimated in accordance with subsection (3) below, of securing the provision by a third person of the benefits or, as the case may be, of the benefits so far as not already secured by the payment of such sums as are mentioned in subsection (1) above, shall be deemed for all purposes of the Income Tax Acts to be income of the employee for the year or years of assessment specified in the said subsection (3) and assessable to income tax under Schedule E.

(3) The cost referred to in subsection (2) above shall be estimated either—

- (a) as an annual sum payable in each year of assessment in which the scheme in question is in force or the employee is serving, up to and including the year of assessment in which the benefits accrue or there ceases to be any possibility of the accrual thereof, or
- (b) as a single sum payable in the year of assessment in which falls the date when the employee acquired the right to the relevant benefits, or the date when he acquired the right to any increase in the relevant benefits,

as may be more appropriate in the circumstances of the case.

(4) Where the employer pays any sum as mentioned in subsection (1) above in relation to more than one employee, the sum so paid shall, for the purpose of that subsection, be apportioned among those employees by reference to the separate sums which would have had to be paid to secure the separate benefits to be provided for them respectively, and the part of the sum apportioned to each of them shall be deemed for that purpose to have been paid separately in relation to that one of them.

(5) Any reference in this section to the provision for an employee of relevant benefits includes a reference to the provision of benefits payable to that employee's wife or widow, children, dependants or personal representatives.

(6) This section shall come into force on 6th April 1972 or such later date as the Treasury may appoint by order in a statutory instrument made before 6th April 1972, and shall so come into force both for schemes set up before the date so appointed and schemes set up later.

## **24 Exceptions from charge to tax under last preceding section**

(1) Neither subsection (1) nor subsection (2) of the last preceding section shall apply where the retirement benefits scheme in question is—

- (a) an approved scheme, or
- (b) a statutory scheme, or
- (c) a scheme set up by a Government outside the United Kingdom for the benefit, or primarily for the benefit, of its employees.



- (2) Neither subsection (1) nor subsection (2) of the last preceding section shall apply for any year of assessment where, apart from those subsections, the employee is not assessable to tax for that year under Case I or II of Schedule E in respect of the emoluments of his employment.
- (3) Where, in respect of the provision for an employee of any relevant benefits, a sum has been deemed to be income of his by virtue either of subsection (1) or subsection (2) of the last preceding section, and subsequently the employee proves to the satisfaction of the Board that no payment in respect of, or in substitution for, the benefits has been made and that some event has occurred by reason of which no such payment will be made, and makes application for relief under this subsection within six years from the time when that event occurred, the Board shall give relief in respect of tax on that sum by repayment or otherwise as may be appropriate; and if the employee satisfies the Board as aforesaid in relation to some particular part of the benefits but not the whole thereof, the Board may give such relief as may seem to them just and reasonable.

## **25 Definition of retirement benefits scheme**

- (1) In this Chapter " retirement benefits scheme " means, subject to the provisions of this section, a scheme for the provision of benefits consisting of or including relevant benefits, but does not include any national scheme providing such benefits.
- (2) References in this Chapter to a scheme include references to a deed, agreement, series of agreements, or other arrangements providing for relevant benefits notwithstanding that it or they relates or relate only to—
  - (a) a small number of employees, or to a single employee, or
  - (b) the payment of a pension starting immediately on the making of the arrangements.
- (3) The Board may, if they think fit, treat a retirement benefits scheme relating to employees of two or more different classes or descriptions as being for the purposes of this Chapter two or more separate retirement benefits schemes relating respectively to such one or more of those classes or descriptions of those employees as the Board think fit.
- (4) For the purposes of this section, and of any other provision of this Chapter—
  - (a) employees may be regarded as belonging to different classes or descriptions if they are employed by different employers, and
  - (b) a particular class or description of employee may consist of a single employee, or any number of employees, however small.

## **26 Interpretation and supplemental**

- (1) In this Chapter, except where the context otherwise requires—
  - " administrator " in relation to a retirement benefits scheme means the person or persons resident in the United Kingdom having the management of the scheme;
  - " approved scheme " means a retirement benefits scheme for the time being approved by the Board for the purposes of this Chapter ;
  - " controlling director " means a director of a company, the directors whereof have a controlling interest therein, who is the beneficial owner of, or able either directly or through the medium of other companies or by any other

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indirect means to control, more than five per cent, of the ordinary share capital of the company;

" director " in relation to a company includes—

- (a) in the case of a company the affairs whereof are managed by a board of directors or similar body, a member of that board or similar body,
- (b) in the case of a company the affairs whereof are managed by a single director or similar person, that director or person,
- (c) in the case of a company the affairs whereof are managed by the members themselves, a member of that company, and includes a person who is to be or has been a director;

" employee "—

- (a) in relation to a company, includes any officer of the company, any director of the company and any other person taking part in the management of the affairs of the company, and
- (b) in relation to any employer, includes a person who is to be or has been an employee, and " employer " and other cognate expressions shall be construed accordingly;

" exempt approved scheme " has the meaning given by section 21(1) of this Act;

" pension " includes annuity ;

" relevant benefits " means any pension, lump sum, gratuity or other like benefit given or to be given on retirement or on death, or in anticipation of retirement, or, in connection with past service, after retirement or death, or to be given on or in anticipation of or in connection with any change in the nature of the service of the employee in question, except that it does not include any benefit which is to be afforded solely by reason of the disablement by accident of a person occurring during his service or of his death by accident so occurring and for no other reason ;

" service " means service as an employee of the employer in question and other expressions, including " retirement ", shall be construed accordingly ;

" statutory scheme " means a retirement benefits scheme established by or under any enactment—

- (a) the particulars of which are set out in any enactment, or in regulations made under any enactment, or
- (b) which has been approved as an appropriate scheme by a Minister or government department (including a Northern Ireland Minister or government department).

- (2) Any reference in this Chapter to the provision of relevant benefits, or of a pension, for employees of an employer includes a reference to the provision thereof by means of a contract between the administrator or the employer and a third person.
- (3) Schedule 5 to this Act shall have effect for supplementing this Chapter, which is there referred to as the principal Chapter, and that Schedule shall be construed as one with this Chapter.

## PART III

### MISCELLANEOUS

#### *Capital gains*

#### **27 Mergers: exemption from charge on company ceasing to be a member of a group**

The following section shall be inserted after section 278 of the Taxes Act (charge to corporation tax on company ceasing to be a member of a group in respect of assets previously acquired by a transfer within the group)—

##### **“278A Exemption from charge under s. 278 in the case of certain mergers.**

- (1) Subject to the following provisions of this section, section 278 above shall not apply in a case where—
  - (a) as part of a merger, a company (in this section referred to as " company A ") ceases to be a member of a group of companies (in this section referred to as " the A group "); and
  - (b) it is shown that the merger was carried out for bona fide commercial reasons and that the avoidance of liability to tax was not the main or one of the main purposes of the merger.
- (2) In this section " merger " means an arrangement (which in this section includes a series of arrangements)—
  - (a) whereby one or more companies (in this section referred to as " the acquiring company " or, as the case may be, " the acquiring companies ") none of which is a member of the A group acquires or acquire, otherwise than with a view to their disposal, one or more interests in the whole or part of the business which, before the arrangement took effect, was carried on by company A; and
  - (b) whereby one or more members of the A group acquires or acquire, otherwise than with a view to their disposal, one or more interests in the whole or part of the business or each of the businesses which, before the arrangement took effect, was carried on either by the acquiring company or acquiring companies or by a company at least 90 per cent, of the ordinary share capital of which was then beneficially owned by two or more of the acquiring companies; and
  - (c) in respect of which the conditions in subsection (4) below are fulfilled.
- (3) For the purposes of subsection (2) above, a member of a group of companies shall be treated as carrying on as one business the activities of that group.
- (4) The conditions referred to in subsection (2)(c) above are—
  - (a) that not less than 25 per cent, by value of each of the interests acquired as mentioned in paragraphs (a) and (b) of subsection (2) above consists of a holding of ordinary share capital, and the remainder of the interest, or as the case may be of each of the interests, acquired as mentioned in the said paragraph (b) consists of a holding of share capital (of any description) or debentures or both; and
  - (b) that the value or, as the case may be, the aggregate value of the interest or interests acquired as mentioned in subsection (2)(a) above is

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substantially the same as the value or, as the case may be, the aggregate value of the interest or interests acquired as mentioned in subsection (2) (b) above; and

- (c) that the consideration for the acquisition of the interest or interests acquired by the acquiring company or acquiring companies as mentioned in subsection (2)(a) above, disregarding any part of that consideration which is small by comparison with the total, either consists of, or is applied in the acquisition of, or consists partly of and as to the balance is applied in the acquisition of, the interest or interests acquired by members of the A group as mentioned in subsection (2) (b) above ;

and for the purposes of this subsection the value of an interest shall be determined as at the date of its acquisition.

- (5) Notwithstanding the provisions of section 272(1)(a) above, references in this section to a company include references to a company resident outside the United Kingdom.”

## **28      Extension of class of securities exempt from tax on capital gains**

- (1) For the purpose of section 41 of, and Schedule 18 to, the Finance Act 1969 and of section 270 of the Taxes Act (gilt-edged securities exempt from tax on capital gains: consequential charge on short-term disposals etc. by companies) in the expression "stocks and registered bonds ", in each place where it occurs in those provisions, the word "registered " shall be, and shall be deemed always to have been, omitted.
- (2) All such adjustments of tax shall be made, whether by way of discharge or repayment or by way of assessment, as may be required in consequence of this section.

### *Mineral royalties*

## **29      Taxation of mineral royalties**

- (1) Subject to the following provisions of this section, a person resident or ordinarily resident in the United Kingdom who in any year of assessment or accounting period is entitled to receive mineral royalties under a mineral lease or agreement shall be treated—
  - (a) for purposes of income tax (including surtax), or as the case may be for purposes of corporation tax on profits exclusive of chargeable gains, as if the total of the mineral royalties receivable by him under that lease or agreement in that year or period and any management expenses available for set-off against those royalties in that year or period were each reduced by one half; and
  - (b) for purposes of Part III of the Finance Act 1965, or as the case may be for purposes of corporation tax on chargeable gains, as if there accrued to him in that year or period a chargeable gain equal to the relevant fraction of the total of the mineral royalties receivable by him under that lease or agreement in that year or period;

and this section shall have effect notwithstanding any provision of section 156(1) of the Taxes Act (rent etc. payable in connection with mines, quarries and similar concerns) making the whole of certain kinds of mineral royalties chargeable to tax under Schedule D, but without prejudice to any provision of that section providing

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for any such royalties to be subject to deduction of income tax under Part II of the Taxes Act.

- (2) For the purposes of subsection (1)(a) above, " management expenses available for set-off " against royalties means—

- (a) where section 158 of the Taxes Act (expenses of owners of mineral rights) applies in respect of the royalties, any sums brought into account under subsection (1) of that section in determining the amount of the repayment of income tax in respect of those royalties or, as the case may be, deductible from those royalties under subsection (2) of that section in computing the income of a company for purposes of corporation tax ; and
- (b) if the royalties are chargeable to tax under Schedule A, any sums deductible under Part III of the Taxes Act as payments made in respect of management of the property concerned, including amounts of betterment levy treated as such payments under paragraph 6 of Schedule 4 to that Act;

and if neither paragraph (a) nor paragraph (b) above applies, the reference in subsection (1)(a) above to management expenses available for set-off shall be disregarded.

- (3) The relevant fraction referred to in subsection (1)(b) above in relation to the mineral royalties receivable under a mineral lease or agreement—

- (a) shall be one half if betterment levy was not chargeable in respect of the grant of that lease or agreement and has not subsequently become chargeable on any renewal, extension or variation of the mineral lease or agreement ;
- (b) shall be determined in accordance with Part I of Schedule 6 to this Act if, on the last disposition affecting the lease or agreement and giving rise to an assessment to betterment levy, betterment levy was chargeable under Case B within the meaning of Part III of the Land Commission Act 1967; and
- (c) in any other case shall be determined in accordance with regulations made by the Board by statutory instrument, and any such regulations shall secure, so far as practicable, that account is taken of any betterment levy chargeable in respect of a disposition affecting the mineral lease or agreement on a basis comparable with that in the said Part I;

and notwithstanding anything in the enactments relating to the computation of chargeable gains, the amount of the chargeable gain treated as accruing to any person by virtue of subsection (1)(b) above shall be the whole amount calculated in accordance with that subsection, and accordingly no reduction shall be made on account of expenditure incurred by that person or of any other matter whatsoever.

- (4) Where subsection (1) above applies in relation to mineral royalties receivable under a mineral lease or agreement by a person not chargeable to corporation tax in respect of those royalties, then in so far as the amount of income tax paid, by deduction or otherwise, by him in respect of those mineral royalties in any year of assessment exceeds the amount of income tax, exclusive of surtax, for which he is liable in respect of those royalties by virtue of subsection (1)(a) above.—

- (a) the amount of the excess shall in the first instance be set against the tax for which he is chargeable by virtue of subsection (1)(b) above ; and
- (b) on the making of a claim in that behalf, he shall be entitled to repayment of tax in respect of the balance of that excess.

- (5) The provisions of Part II of Schedule 6 to this Act shall have effect in relation to capital losses which accrue during the currency of a mineral lease or agreement.

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- (6) In this section and in Schedule 6 to this Act, references to mineral royalties refer only to royalties receivable on or after 6th April 1970, and the expression " mineral royalties" means so much of any rents, tolls, royalties and other periodical payments in the nature of rent payable under a mineral lease or agreement as relates to the winning and working of minerals; and the Board may by regulations made by statutory instrument—
- (a) provide whether, and to what extent, payments made under a mineral lease or agreement and relating both to the winning and working of minerals and to other matters are to be treated as mineral royalties; and
  - (b) provide for treating the whole of such payments as mineral royalties in cases where the extent to which they relate to matters other than the winning and working of minerals is small.
- (7) In this section and in Schedule 6 to this Act—
- " minerals " means all minerals and substances in or under land which are ordinarily worked for removal by underground or surface working, but excluding water, peat, top-soil and vegetation ; and
  - " mineral lease or agreement " means—
    - (a) a lease, profit a prendre, licence or other agreement conferring a right to win and work minerals in the United Kingdom ;
    - (b) a contract for the sale, or a conveyance, of minerals in or under land in the United Kingdom; and
    - (c) a grant of a right under section 1 of the Mines (Working Facilities and Support) Act 1966, other than an ancillary right within the meaning of that Act.
- (8) A statutory instrument made in the exercise of any power conferred on the Board by this section shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.
- (9) In the application of this section to Northern Ireland—
- (a) paragraphs (a) to (c) of subsection (3) above shall not apply but the relevant fraction referred to in subsection (1)(b) above shall be one half;
  - (b) references to mineral royalties include references—
    - (i) to periodical payments of compensation under section 29 or section 35 of the Mineral Development Act (Northern Ireland) 1969 or under section 4 of the Petroleum (Production) Act (Northern Ireland) 1964; and
    - (ii) to periodical payments made as mentioned in section 37 of the said Act of 1969 or under section 55(4)(b) of that Act or under section 11 of the said Act of 1964 (payments in respect of minerals to persons entitled to a share of royalties under section 13(3) of the Irish Land Act 1903); and
  - (c) in the application of this section to any such payments as are referred to in paragraph (b) above, subsection (5) above shall be omitted, and references in any other provision of this section to the mineral lease or agreement under which mineral royalties are payable shall be construed as references to the enactment under which the payments are made.

*Estate duty*

**30 Rate of interest on estate duty**

- (1) Subject to the provisions of this section, the rate of interest payable under the following enactments namely—
- (a) section 18 of the Finance Act 1896 (general provision for interest on death duties);
  - (b) subsection (3) of section 17 of the Law of Property Act 1925 and subsection (6) of section 73 of the Land Registration Act 1925 (interest on death duties becoming immediately payable on a conveyance or disposition of land which overrides the charge for duty),
- shall, as regards interest accruing after the passing of this Act, be three per cent., instead of two per cent., per annum.
- (2) The Treasury may by order from time to time increase or reduce the rate of interest payable under the enactments referred to in subsection (1) of this section; and any such order may correspondingly increase or reduce the rate of interest payable under any other enactments relating to estate duty.
- (3) The power of the Treasury to make orders under this section shall be exercisable by statutory instrument; and any statutory instrument made by virtue of this section shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.

**31 Minor amendments as to discretionary trusts**

- (1) For the purposes of head (iii) of the substituted section 2(1)(b) (that is, the paragraph substituted by section 36 of the Finance Act 1969 for paragraph (b) of section 2(1) of the Finance Act 1894)—
- (a) the deceased shall be treated as having benefited as a result of the discretion therein referred to if any of the income with respect to which that discretion was exercisable was paid to him or applied for his benefit; and
  - (b) property shall not be treated as having ceased to be subject to the trust by reason of any payment or application of such income ;
- and paragraphs (b) to (e) of subsection (3) of section 37 of the Finance Act 1969 shall apply for the purpose of determining whether income was paid or applied as mentioned in paragraph (a) or (b) above as they apply for determining the part of the property to be treated as passing in a case where less than the whole of the income was paid or applied to or for the benefit of the deceased.
- (2) Any reference in paragraph (b) or (c) of the said subsection (3) to a sum paid to or applied for the benefit of a person shall include a reference to property transferred to him or applied for his benefit or, as the context requires, to the value (at the date of the transfer or application) of such property.
- (3) In paragraph 9 of Part II of Schedule 17 to the Finance Act 1969 (relief for charities under the substituted section 2(1)(M), after the words " seven years " there shall be inserted the words " except those occurring in the descriptions of the material period for the purposes of paragraphs (aa), (bb) and (cc) of head (iii) ".
- (4) In paragraph 7 of Part II of Schedule 17 to the Finance Act 1969 (quick succession relief under s. 30 of the Finance Act 1958 in respect of settled property passing under

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head (iii) or (iv) of the substituted section 2(1)(b)) the words " subsisting at the date of the earlier death " shall be omitted ; and so much of paragraph 3(4) of Schedule 8 to the Finance Act 1958 as excludes relief under the said section 30 by reference to a death after the end of the settlement shall not apply to a case falling within the said paragraph 7.

- (5) No relief shall be allowed under the said section 30 by virtue of the said paragraph 7 in a case where the property passes both on the earlier and on the later death under head (iii) of the substituted section 2(1)(b) and the relevant period (as defined by subsection (3) of section 37 of the Finance Act 1969) is the same in relation to each of those deaths.
- (6) This section applies (and except as regards any such earlier death as is referred to in the said paragraph 7 applies only) in relation to deaths occurring after 14th April 1970.

### *Stamp duties*

## **32 Abolition of certain stamp duties, and amendments as to rates and other matters**

The provisions of Schedule 7 to this Act shall have effect, being—

- (a) in the case of those in Part I of that Schedule, provisions abolishing, or consequential on the abolition of, certain stamp duties,
- (b) in the case of those in Part II of that Schedule, provisions making general amendments of or in connection with the enactments relating to stamp duties, and
- (c) in the case of those in Part III of that Schedule, special provisions required for the purposes of those enactments in connection with the introduction of the new currency provided for by the Decimal Currency Act 1967.

## **33 Composition by stock exchanges in respect of transfer duty**

- (1) The Commissioners may enter into an agreement with, or with persons acting on behalf of, any recognised stock exchange for the composition, in accordance with the provisions of this section, of the stamp duty chargeable under or by reference to the heading " Conveyance or Transfer on Sale " in Schedule 1 to the Stamp Act 1891 on such instruments as may be specified in the agreement, being instruments executed for the purposes of stock exchange transactions as defined in section 4(1) of the Stock Transfer Act 1963.

In this subsection " recognised stock exchange " means the Stock Exchange, London, and any other stock exchange declared by an order in force under section 4 of the Stock Transfer Act 1963 to be a recognised stock exchange for the purposes of that Act.

- (2) An agreement under this section shall provide—
  - (a) for every instrument to which the agreement relates to bear on its face an indication of the amount of stamp duty chargeable thereon,
  - (b) for the issue in respect of every such instrument, by or on behalf of the stock exchange, of a certificate (which may relate to more than one such instrument) to the effect that stamp duty to the amount so indicated has been, or will be, accounted for to the Commissioners,
  - (c) for the delivery to the Commissioners, by or on behalf of the stock exchange, of periodical accounts in respect of instruments to which the agreement



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relates, giving such particulars with respect thereto as may be specified in the agreement, and

- (d) for the payment to the Commissioners, by or on behalf of the stock exchange and on the delivery of any such account, of the aggregate amount of the stamp duty chargeable as mentioned in subsection (1) above on instruments to which the agreement relates during the period to which the account relates ;

and any such agreement may contain such other terms and conditions as the Commissioners think proper.

- (3) For the purposes of any agreement under this section, the form of brokers transfer provided for by section 1(2) of the Stock Transfer Act 1963 may be used in connection with any transaction notwithstanding that the particulars referred to in that provision could be inserted in the stock transfer there referred to.
- (4) An instrument to which an agreement under this section relates and in respect of which a certificate to the effect mentioned in subsection (2)(b) above has been issued by or on behalf of the stock exchange in question shall be treated for the purposes of the Stamp Act 1891 as stamped with the amount of duty indicated on the face of the instrument.
- (5) A stock exchange or person making default in delivering any account required by an agreement under this section, or in paying any amount in accordance with such an agreement, shall be liable to a fine not exceeding £50 for any day during which the default continues; and, in addition, every amount payable under such an agreement shall bear interest at the rate of 5 per cent, per annum, recoverable by Her Majesty, from the due date for delivery of the account by reference to which it is payable until the actual date of payment.
- (6) Except in so far as the context otherwise requires, any reference to a stamp in section 9 or 10 of the Stamp Duties Management Act 1891 (allowances for spoiled stamps) shall include a reference to any indication of an amount of stamp duty on the face of any instrument to which an agreement under this section relates.

#### *Other provisions*

### **34 Savings banks interest rates**

- (1) The Treasury may by order made by statutory instrument, which shall be subject to annulment in pursuance of a resolution of either House of Parliament, increase—
  - (a) the rate specified in section 5 of the Post Office Savings Bank Act 1954 of the interest payable to depositors in the National Savings Bank in respect of ordinary deposits;
  - (b) the maximum rate specified in section 15 of the Trustee Savings Banks Act 1969 of the interest payable to depositors by the trustees of a trustee savings bank in respect of ordinary deposits ;
  - (c) the maximum rate specified in section 414(3)(a) of the Income and Corporation Taxes Act 1970 for the interest payable on deposits in a savings bank maintained under a local Act for the Treasury to certify a bank or department for the purposes of that section;

and any order made under this section may be varied or revoked by a subsequent order so made (but not so as to reduce any rate specified in any of the said enactments below the figure at which it stood when this Act was passed).

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- (2) An order under subsection (1)(a) above, so far as it relates to interest for a period before 1st January 1972, may be made so as to apply only as respects deposits in accounts not closed before that date, or so as to make different provision for such deposits, and other deposits.
- (3) In section 34(2) of the Trustee Savings Bank Act 1969 the words " and not exceeding £3 13s. Od. per cent, per annum " (limit on rate of interest payable by Fund for the Banks for Savings) shall cease to have effect.
- (4) This section, and the repeal made by this Act in the said section 34(2), shall extend to the Isle of Man and the Channel Islands.

### **35 Loans to Government of Northern Ireland**

- (1) For the purposes of any expenditure which in the opinion of the Treasury is of a capital nature the Treasury may issue out of the National Loans Fund and advance to the Exchequer of Northern Ireland by way of loan any sum or sums not exceeding in the aggregate the limit specified in subsection (2) below.
- (2) Until an order is made under this subsection the limit referred to in subsection (1) above is £50 million, but the Treasury may, on not more than three occasions, by order made by statutory instrument increase or further increase that limit by such sum, not exceeding £50 million, as may be specified in the order.
- (3) The Treasury shall not make an order under subsection (2) above unless a draft of the order has been approved by a resolution of the Commons House of Parliament.
- (4) Loans made under subsection (1) above shall be repaid at such times and by such methods, and interest thereon shall be paid at such rates and at such times, as may from time to time be determined by the Treasury ; and all sums paid in or towards the discharge of the principal of or interest on any such loans shall be paid into the National Loans Fund.
- (5) After the commencement of this Act no further advances shall be made under section 2 of the Miscellaneous Financial Provisions Act 1950 (which, as amended by section 57 of the Finance Act 1969, provides for loans to the Government of Northern Ireland subject to a limit of £170 million on the total amount outstanding by way of principal).

### **36 Citation, interpretation, construction, extent and repeals**

- (1) This Act may be cited as the Finance Act 1970.
- (2) In this Act—
  - (a) except where the context otherwise requires, " the Board " means the Commissioners of Inland Revenue,
  - (b) " the Taxes Act " means the Income and Corporation Taxes Act 1970,
  - (c) " the Management Act " means the Taxes Management Act 1970.
- (3) Part I of this Act (except section 9) shall be construed as one with the Customs and Excise Act 1952.
- (4) Part II of this Act, so far as it relates to income tax, shall be construed as one with the Income Tax Acts and, so far as it relates to corporation tax, shall be construed as one with the Corporation Tax Acts.

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- (5) Part III of this Act, so far as it relates to stamp duties, shall be construed as one with the Stamp Act 1891.
- (6) Any reference in this Act to any other enactment shall, except so far as the context otherwise requires, be construed as a reference to that enactment as amended or applied by or under any other enactment, including this Act.
- (7) Except as otherwise expressly provided such of the provisions of this Act as relate to matters in respect of which the Parliament of Northern Ireland has power to make laws shall not extend to Northern Ireland.
- (8) The enactments mentioned in Schedule 8 to this Act (which include enactments which are spent or otherwise unnecessary) are hereby repealed to the extent mentioned in the third column of that Schedule, but subject to any provision in relation thereto made at the end of any Part of that Schedule.

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SCHEDULES

SCHEDULE 1

Section 2.

GAMING LICENCE DUTY

PART I

AMOUNT OF DUTY ON GAMING LICENCE FOR 6 MONTHS

TABLE

	<i>Rateable value charge</i>	<i>Charge for each table in excess of two but not exceeding five</i>	<i>Charge for each table in excess of five</i>
	£	£	£
Premises of a rateable value not exceeding £1,000 (or without a rateable value)	750	500	750
Premises of a rateable value exceeding £1,000, but not exceeding £2,500	6,250	1,500	2,000
Premises of a rateable value exceeding £2,500	20,000	4,000	5,000

References in this Table to premises of a rateable value of a given amount are references to premises which for rating purposes constitute or are comprised in a hereditament of a rateable value of that amount.

For the purposes of this Table premises consisting of or comprised in a vessel shall be treated as premises of a rateable value exceeding £1,000 but not exceeding £2,500.

PART II

SUPPLEMENTAL

*Rateable value*

- 1
- (1) The Commissioners may by regulations provide for the adjustment (by way of repayment or of a further charge of duty) of the duty charged on a gaming licence in any case where—

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- (a) there is an alteration of the valuation list affecting the hereditament consisting of or comprising the premises in respect of which the licence is granted, and
  - (b) that alteration comes into effect as respects the whole of the period of validity of the licence.
- (2) Where a hereditament ceases to be one without a rateable value, regulations under this paragraph may require the appropriate adjustment by way of any further charge of duty notwithstanding that the alteration of the valuation list assigning a rateable value to the hereditament comes into effect as respects part only of the period of the validity of the licence, and the regulations may require the further charge of duty to be paid as if the alteration had come into effect as respects the whole of the period of validity of the said licence.
- (3) In this Schedule—
  - " rateable value ", in relation to any hereditament, means, without prejudice to sub-paragraph (1) above, the rateable value shown in the valuation list as for the time being in force,
  - " hereditament ", in relation to Scotland, means lands and heritages,
  - " valuation list ", in relation to Scotland, means valuation roll.

#### *Gaming tables*

- 2 (1) For the purpose of determining the appropriate licence under Part I of this Schedule, account shall be taken not only of all gaming tables in use when any game to which the principal section applies is played, but also—
  - (a) of all other gaming tables on the premises, whether or not available for use, or prepared for use, and whether for the game played, or for any other game to which the principal section applies, and
  - (b) of any other tables or other equipment on the premises which can readily be converted into gaming tables.
- (2) For the said purposes " table " includes any surface provided or used for playing any game to which the principal section applies, or for hazarding any money or token in connection with any game to which the principal section applies.
- (3) In arriving at the number of tables on any premises, any table exceeding the prescribed size shall count as two tables, or such greater number of tables as may be prescribed.
- (4) In this paragraph "prescribed" means prescribed by regulations made by the Commissioners, and—
  - (a) the regulations prescribing the size of a table may take account not only of its area but also of any other measurements or characteristics,
  - (b) the regulations may make different provision in relation to different games, or in any other different circumstances.

#### *Application for licence*

- 3 (1) An application for a gaming licence shall be made to the Commissioners not later than fourteen days before the date on which the licence is to be in force.

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- (2) A gaming licence shall be expressed to take effect on the first day of the period for which it is granted or the first day after the date of the application, whichever is the later.
- (3) A gaming licence shall expire at the end of 31st March or, as the case may be, 30th September next after the date on which it is expressed to take effect.

#### *Transfer of licence*

- 4 (1) The proper officer may, in such manner as the Commissioners may direct, and without any additional payment, transfer a gaming licence in respect of any premises to a successor in title to the interest in those premises of the person to whom the licence was granted.
- (2) Where the holder of a gaming licence in respect of any premises dies, the proper officer may transfer the licence, in such manner as the Commissioners may direct, and without any additional payment, to some other person for the remainder of the period for which the licence was granted.

#### *Surrender of licence*

- 5 If while a gaming licence is in force in respect of any premises, and not less than three months before the date when the licence is due to expire, the holder of the licence surrenders the licence to the proper officer and satisfies the proper officer that those premises will not be used on or after the date of surrender of the licence for the purpose of gaming by way of any game to which the principal section for the time being applies, he shall be entitled in respect of the period of validity of the licence unexpired at the date of surrender to repayment of one-half of the duty paid on the licence.

#### *Amendment of licence*

- 6 (1) This paragraph has effect as respects the amendment of a gaming licence converting it into one in respect of which a greater amount of duty is payable.
- (2) The holder of the gaming licence may at any time apply to the Commissioners for the licence to be so amended, and the proper officer shall, on payment of the additional duty specified below, amend the licence accordingly.
- (3) The amount of the additional duty shall be the difference between the amount of duty payable on the licence as amended, and the amount so payable on the licence before amendment.
- (4) Regulations under this Schedule may make provision with respect to the procedure for amending licences under this paragraph, and any such regulations may include provision—
  - (a) as to the method of amendment (that is to say, whether it is to be effected by endorsement of the licence, or by the issue of an amended licence, or otherwise), and
  - (b) as to the time at which a licence is to have effect as amended.

*Payment of duty by cheque*

- 7 Section 234 of the Customs and Excise Act 1952 (which relates to payment for excise licences by cheque) shall apply to the duty on a gaming licence as if for the reference to a penalty of £50 there were substituted a reference to a penalty of £500.

*Regulations*

- 8 (1) Without prejudice to any other provision of this Schedule, the Commissioners may make regulations providing for any matter for which provision appears to them to be necessary for the administration or enforcement of the duty on gaming licences, or for the protection of the revenue from that duty.
- (2) Regulations under this paragraph may in particular include provision—
- (a) for the furnishing to such persons or displaying in such manner of such information or records as the regulations may require by persons engaging or proposing to engage in any activity by reason of which they are or may be or become liable for duty, and by persons providing facilities for another to engage in such an activity or entering into any transaction with another in the course of any such activity of his ;
  - (b) for the keeping, preservation and production of accounts, records or other documents by persons engaging in any such activity ;
  - (c) for the inspection of the accounts, records and other documents of persons engaging or suspected of engaging in any such activity, and of premises or equipment used or suspected of being used by such persons for or in connection with any such activity and of any other premises where any such activity is carried on ;
  - (d) for requiring the licence to be displayed on the premises, and the production of the licence for inspection by the proper officer;
  - (e) for requiring gaming tables to be labelled or marked in the prescribed manner.
- (3) Regulations under this Schedule shall be made by statutory instrument, which shall be subject to annulment in pursuance of a resolution of the Commons House of Parliament.

*Offences*

- 9 (1) Subject to subsection (7) of the principal section, there is a contravention of subsection (8) of that section if on any occasion, after 30th September 1970, gaming takes place by way of any game to which the principal section for the time being applies unless a provider of the premises on which the gaming takes place is the holder of a gaming licence which is for the time being in force, and which is the appropriate licence having regard to—
- (a) the rateable value of the hereditament consisting of or comprising the premises, and
  - (b) the number of gaming tables.
- (2) If there is a contravention of the said subsection (8)—
- (a) any provider of the premises and any person concerned in the organisation or management of the gaming shall each be liable—

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- (i) on summary conviction to a penalty of treble the amount of the duty on the appropriate gaming licence, or to imprisonment for a term not exceeding twelve months, or to both,
      - (ii) on conviction on indictment, to the like penalty, or to imprisonment for a term not exceeding two years, or to both, and
    - (b) in addition and without prejudice to any liability under paragraph (a) above, unless and until the appropriate gaming licence in respect of those premises is taken out during the period of six months (beginning with 1st October or 1st April) in which the offence was committed, an amount equal to the duty on the appropriate gaming licence, together with interest thereon from the date of the offence, shall become due and recoverable as a debt due to the Crown jointly and severally from all or any of the persons liable under paragraph (a) above.
  - (3) Any gaming tables or other things which are being used, or are available or prepared for use, in connection with gaming in respect of which an offence is committed under this paragraph shall be liable to forfeiture.
  - (4) In this paragraph "provider", in relation to any premises used for gaming, means any person having a right to control the admission of persons to those premises, whether or not he also has a right to control the admission of persons to the gaming.
- 10 (1) If any person—
- (a) contravenes or fails to comply with any of the provisions of regulations made under this Schedule, or
  - (b) obstructs any officer in the exercise of his functions in relation to the duty on gaming licences, or
  - (c) in connection with the duty on gaming licences, makes any statement which he knows to be false in a material particular or recklessly makes any statement which is false in a material particular, or, with intent to deceive, produces or makes use of any book, account, record, return or other document which is false in a material particular, or
  - (d) is knowingly concerned in, or in the taking of steps with a view to, the fraudulent evasion, by him or any other person, of gaming licence duty,
- he shall be liable to a penalty of £500 or treble the amount of the duty which is unpaid or payment of which is sought to be avoided, as the case may be, whichever is the greater ; and where a person is convicted of an offence under paragraph (c) or (d) above, the court may, in lieu of or in addition to ordering him to pay the said penalty, order him to be imprisoned for a term not exceeding two years.
- (2) Where a person is convicted under sub-paragraph (1) above in respect of a failure to comply with the provisions of regulations made under this Schedule and the failure continues after his conviction then, unless he has reasonable excuse for the continuance of the failure, he shall be guilty of a further offence under this paragraph and may, on conviction, be punished accordingly.
- 11 Where an offence under paragraph 9 or paragraph 10 above has been committed by a body corporate, every person who at the time of the commission of the offence was a director, general manager, secretary or other similar officer of the body corporate, or was purporting to act in any such capacity, shall be deemed to be guilty of that offence unless he proves—



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- (a) in the case of an offence under paragraph 9, that he did not consent to, or connive at, the relevant contravention mentioned in the said paragraph 9(1), or
- (b) in the case of an offence under paragraph 10, that the offence was committed without his consent or connivance,

and that he exercised all such diligence to prevent the contravention or, as the case may be, the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and in all the circumstances.

#### *Inspection of premises*

- 12 (1) Any officer may (without payment) enter any premises in respect of which a licence under the Gaming Act 1968 is for the time being in force and inspect those premises and require any person who is concerned in the management of the premises, or who is on the premises and appears to the officer to have any responsibility whatsoever in respect of their management or of the control of the admission of persons thereto—
- (a) to produce or secure the production of any gaming licence for the time being in force in respect of the premises, or
  - (b) to provide information with respect to any gaming which is being, or has been, carried on on the premises, and as to any gaming tables or other equipment on the premises which is or can be used for gaming.
- (2) If the premises in respect of which the licence under the Gaming Act 1968 is for the time being in force form, for rating purposes, part only of a hereditament, the powers conferred by this paragraph shall be exercisable as respects each part of the hereditament.

#### *Modification of agreements*

- 13 (1) Where a person who is granted a gaming licence in respect of any premises has before 1st October 1970 entered into an agreement with any other person whereby that other person is entitled to use those premises after that date for the purpose of gaming, and the consideration for that other person under that agreement does not take account of the additional duty payable under this Act, as compared with section 13 of the Finance Act 1966, the first-mentioned person shall be entitled to recover from that other person such amount, if any, not exceeding that additional amount of duty, in such manner as may be agreed between them (or, in default of such agreement, as may be determined by the appropriate court) to be fair in all the circumstances, having regard in particular to the extent, if any, to which while the licence is in force, the premises will be or are likely to be used otherwise than by that person for the purpose of gaming.
- (2) In this paragraph " the appropriate court " means—
- (a) where the premises in question are in England or Wales and the amount of the duty on the licence in question exceeds £5,000, the High Court,
  - (b) in any other case, the county court or, if the premises in question are situated in Scotland, the sheriff.

#### *Beginner's licence under Finance Act 1966*

- 14 On surrender to the proper officer of a gaming licence granted before 1st October 1970 under paragraph 12 of Schedule 3 to the Finance Act 1966 so as to expire on

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30th September 1971, the holder of the licence shall be entitled to repayment of three-quarters of the amount of the duty paid on the licence.

*Application of ancillary provisions in Schedule 3 to Finance Act 1966*

- 15 (1) Paragraph 23 of Schedule 3 to the Finance Act 1966 (powers of entry and search) shall apply as if the reference to contravention of section 13 of that Act included a reference to a contravention of subsection (8) of the principal section.
- (2) Paragraphs 24 and 25 of the said Schedule 3 (recovery of duty) shall apply as if references to paragraphs 8 and 21(1)(b) of that Schedule included references to paragraphs 1 and 9(2)(b) of this Schedule.

*Consequential amendments of Gaming Act 1968*

- 16 (1) In paragraph 48(1) of Schedule 2 to the Gaming Act 1968 (cancellation of licence under that Act on conviction of certain offences), as amended by paragraph 30 of Schedule 11 to the Finance Act 1969 after the words " Finance Act 1969 " insert " or under paragraph 9 or 10 of Schedule 1 to the Finance Act 1970 ".
- (2) In the following provisions of the Gaming Act 1968 (under which failure to pay gaming licence duty under section 13 of the Finance Act 1966 is a ground for refusal to grant, renew or transfer a licence or renew a registration) after " the Finance Act 1966 " insert " or section 2 of or Schedule 1 to the Finance Act 1970 ".

The said provisions are

paragraph 20(1)(e) and paragraph 60(c) of Schedule 2.  
 paragraph 9(e) of Schedule 3.  
 paragraph 11(e) of Schedule 4.

- (3) In Schedule 10 to the Gaming Act 1968, in paragraphs 3 and 4 (right of constable, without fee, to inspect registers) after " constable " insert " or officer of customs and excise ".

## SCHEDULE 2

Section 5.

### AMENDMENTS OF LAW RELATING TO CUSTOMS AND EXCISE

*Amendments relating to tobacco*

- 1 Subject to such conditions as they see fit to impose, the Commissioners may remit or repay duty, or allow drawback, on tobacco in respect of which it is shown to their satisfaction that it is to be or has been used solely for purposes of research or experiment.
- 2 The duties of excise under section 4 of the Finance Act 1964 on tobacco grown in the United Kingdom shall not be charged on tobacco which is grown by a person for his own consumption and in respect of which such conditions as the Commissioners see fit to impose are complied with.
- 3 At the beginning of paragraph (a) of section 173(2) of the Act of 1952 (which prohibits the import of sweetened tobacco in an unmanufactured state) there shall be inserted the words " except as permitted by the Commissioners " , and in

section 176(1) of that Act (which provides that a tobacco manufacturer shall not in manufacturing tobacco use any sweetening matter or, save as the Commissioners allow and subject to such conditions as they see fit to impose, any other substance except those specified in paragraphs (a) to (e) of that section) the words " any sweetening matter or " shall be transposed to follow the words " see fit to impose ".

- 4 For paragraph (b) of section 183(1) of the Act of 1952 (which provides for drawback on tobacco stalks or tobacco refuse abandoned to the Commissioners) there shall be substituted the following paragraph:—

“(b) tobacco stalks or tobacco refuse disposed of to the satisfaction of the Commissioners.”

*Customs procedures : standing deposits and computers*

- 5 (1) Where the Commissioners so direct, section 34(1) of the Act of 1952 (time for payment of duty on imported goods) shall not apply if and so long as the importer or his agent pays to, and keeps deposited with, the Commissioners a sum by way of standing deposit sufficient in their opinion to cover any duty which may become payable in respect of goods entered by that importer or agent, and if the importer or agent complies with such other conditions as the Commissioners may impose.

Where, by virtue of this sub-paragraph, goods are delivered for home use before payment of duty, the proviso to section 258(1) of the Act of 1952 (valuation of goods by reference to declared value) shall have effect as if the words "before the goods are delivered for home use " were omitted.

- (2) Where, in accordance with approval given by the Commissioners, entry of goods is made by any method involving the use of a computer, then in the following provisions of the Act of 1952—

- (a) section 34(2)(a) (application of duties and rates of duty in force at time of entry),
- (b) section 258(2)(c) (rate of exchange of foreign currency in force before time of entry), and
- (c) paragraph 1(1) of Schedule 6 (value at time of entry),

for references to the time of entry there shall be substituted references to the time when particulars contained in the entry are accepted by the computer.

- (3) In connection with any arrangements approved by the Commissioners for recording particulars of exported goods by computer they may relax the requirements of section 49 of the Act of 1952 by suspending the obligation to deliver the specifications there mentioned on condition that—

- (a) the particulars which should otherwise be contained in the specifications, or such of those particulars as the Commissioners may specify, are recorded by computer in accordance with the arrangements, and
- (b) the particulars so recorded are subsequently delivered to the proper officer within such time as the Commissioners may specify,

and subject to such other conditions as they may impose.

- (4) If under sub-paragraph (3) above particulars are recorded by computer, and any goods to which the particulars relate have not in fact been exported or shipped as stores, or the particulars are in any other way incorrect or inaccurate, the exporter of the goods and any other person who caused the incorrect or inaccurate particulars to be recorded shall each be liable to a penalty of £5 unless one of them, either himself

or by an agent, corrects the particulars within the period mentioned in subsection (1) of the said section 49.

### SCHEDULE 3

Section 16(4).

#### APPLICATION OF CORPORATION TAX ACTS IN RELATION TO PUBLIC TRANSPORT AUTHORITIES IN LONDON

- 1     In this Schedule—
  - " the Board " means the London Transport Board ;
  - " the Company " means London Country Bus Services Limited ;
  - " the Executive " means the London Transport Executive ; and
  - " the transferee ", in relation to any part of the trade of the Board transferred under Part III of the Transport (London) Act 1969, means the Company or the Executive, according to the body to which that part is transferred.
- 2     The parts of the Board's trade transferred under Part III of the Transport (London) Act 1969 to the Executive and the Company respectively shall be treated for the purposes of the Corporation Tax Acts as having been at all times separate trades ; and—
  - (a)   there shall be made any necessary adjustments of accounting periods, and such apportionments as may be just of receipts, expenses, allowances or charges ; and
  - (b)   the following provisions of this Schedule shall apply separately to each of those parts.
- 3     For the purposes of the Corporation Tax Acts the trade transferred to the transferee shall not be treated as permanently discontinued, nor shall a new trade be treated as set up and commenced.
- 4     The transferee shall be entitled to relief from corporation tax under subsection (1) of section 177 of the Taxes Act, as for a loss sustained by the transferee in carrying on the transferred trade for any amount which, if the Board had continued to carry on the trade, would have been available to the Board for carrying forward against chargeable profits of succeeding accounting periods, but subject to any claim made by the Board under subsection (2) of that section.
- 5     (1) There shall be made to or on the transferee in accordance with sections 73 and 74 of the Capital Allowances Act 1968 (or in relation to a chargeable period ending on or before 5th April 1968, in accordance with section 56 of the Finance Act 1965) all such allowances and charges as would, if the Board had continued to carry on the trade, have fallen to be made to or on the Board in accordance with those sections, and the amount of any such allowances or charges shall be computed as if the transferee had been carrying on the trade since the Board began to do so and as if everything done to or by the Board had been done to or by the transferee.
- (2) No sale or transfer which on the transfer of the trade is made by the Board to the transferee of any assets in use for the purposes of the trade shall be treated as giving rise to any such allowance or charge.
- 6     For the purposes of paragraph 6 of Schedule 14 to the Taxes Act (transitional allowance for annual value of land as a business expense) any occupation of land for

- the purposes of the trade by the Board shall be treated as having been the occupation of the transferee.
- 7 The Board shall not be entitled to relief in respect of the trade under section 178 of the Taxes Act (terminal losses) or under section 87 of the Finance Act 1965 (transitional relief on cessation of trade).
- 8 (1) For the purposes of Part III of the Finance Act 1965 (capital gains) any asset transferred on the transfer of the trade shall be deemed to be for a consideration such that no gain or loss accrues to the Board on its transfer ; and for the purposes of Part II of Schedule 6 to that Act (assets held on 6th April 1965) the transferee shall be treated as if the acquisition by the Board or the British Transport Commission of any assets so transferred had been the transferee's acquisition thereof.
- (2) In section 272(6) of the Taxes Act (Passenger Transport Executives treated as companies for the purposes of provisions of Chapter II of Part I of that Act about groups of companies) after the words " in relation to " there shall be inserted the words " the London Transport Executive and " and for the words " that Executive " there shall be substituted the words " each of those Executives ".

## SCHEDULE 4

Section 18.

### AMENDMENTS OF INCOME TAX ACTS AND CORPORATION TAX ACTS

#### PART I

##### ACCOUNTING FOR INCOME TAX DEDUCTED BY COMPANIES

- 1 (1) This paragraph has effect as respects income tax for which a company resident in the United Kingdom is liable to account in respect of distributions made by it, or in respect of any payments made by it, other than distributions.
- (2) The Board may make regulations—
- (a) as to the times at which and the manner in which a company is to account for and pay any such income tax, and
  - (b) subject to section 240(1) of the Taxes Act (limitations on repayment of income tax borne by companies), for discharging, to such extent and in such manner as may be prescribed by the regulations, a company's liability to account for income tax by setting that tax off against income tax borne by the company, or for repaying income tax so borne, and
  - (c) with respect to the procedure to be adopted for giving effect to the said section 240, and to section 256 of the Taxes Act (group income etc.).
- (3) Regulations under this paragraph may in particular—
- (a) provide for the assessment, charge, collection and recovery of any income tax for which a company is liable to account, and as to the information and evidence to be furnished by a company in or in connection with any return or claim made under or for the purposes of the regulations,
  - (b) make any provision corresponding to anything in Schedule 9 to the Taxes Act (which is to be superseded by regulations under this paragraph) and, in relation to any income tax for which a company is liable to account, modify

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- any provision of Parts II to VI of the Taxes Management Act 1970, or apply any such provision with or without modifications,
- (c) for the purpose of accounting for tax in accordance with the regulations, divide any year of assessment into equal or unequal periods of any length,
  - (d) treat income tax set against other tax in pursuance of sub-paragraph (2)(b) above as paid or repaid, as the case may be, and preclude the same tax being taken into account both under the regulations and under section 240(5) of the Taxes Act,
  - (e) make different provision for different descriptions of companies and for different circumstances, and authorise the Board, where in their opinion there are special circumstances justifying it, to make special arrangements as respects income tax for which a company is liable to account, or the repayment of income tax borne by a company, and
  - (f) include such transitional and other supplemental provisions as appear to the Board to be expedient or necessary.
- (4) Regulations under this paragraph shall be made by statutory instrument, but the Board shall not make any statutory instrument under this paragraph unless a draft thereof has been laid before, and approved by a resolution of, the Commons House of Parliament.
- (5) Regulations under this paragraph shall be known as " company tax regulations ".
- (6) Company tax regulations shall not have effect for any year before the year 1971-72, and Schedule 9 to the Taxes Act shall not have effect for the first year as respects which company tax regulations have effect or any subsequent year.
- 2 In the following provisions of the Taxes Act and of the Management Act for "Schedule 9 to this Act" or "Schedule 9 to the principal Act" or words to that effect substitute " company tax regulations " except for years of assessment for which the said Schedule 9 has effect, and corresponding amendments shall be made in any other enactment referring to the said Schedule 9.

TAXES ACT	MANAGEMENT ACT
section 53 (4)	section 55(1)(e)
section 232(2)	section 88(2)
section 248(4)(a)	
section 256(4) (twice)	
section 343(2)(b)	
section 460(4)	
section 477(1)	

- 3 (1) Section 87 of the Management Act (interest on overdue income tax on company distributions etc.) shall be amended as follows.
- (2) In subsection (2)—
- (a) for " month " (five times) substitute " period of account ".
  - (b) after " principal Act" insert " or under company tax regulations ".
- (3) In subsection (4)—

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(a) after " principal Act ", in paragraph (a), and after " Schedule 9", in paragraph (b), insert " or with company tax regulations ".

(b) for " month " substitute " period of account ".

(4) For subsection (6) substitute—

“(6) In this section ' period of account' means—

(a) in relation to Schedule 9 to the principal Act, a month of a year of assessment, that is to say a month beginning on the sixth day of a month of a calendar year,

(b) in relation to company tax regulations, any period of account prescribed by the regulations.”

4 In section 98 of the Management Act (penalties) at the end of column 2 of the Table add—

“Company tax regulations”.

5 Paragraph 1 of this Schedule shall be inserted in the Taxes Act after section 240 as a section numbered 240A, but substituting " this Act " for "the Taxes Act", and "this section" for "this paragraph ", and making similar substitutions of references to sub-paragraphs so converted into subsections.

## PART II

### OTHER AMENDMENTS

#### *Treatment as distribution of interest paid by company to non-resident company in same group*

6 (1) In section 233(2)(d) of the Taxes Act (which specifies securities of a company in respect of which any interest or other distribution out of assets of the company is to be treated as a distribution for the purposes of the Corporation Tax Acts) for sub-paragraph (iv) (which specifies securities issued by the company and held by a company not resident in the United Kingdom, where the former is a 75 per cent, subsidiary of the latter or both are 75 per cent, subsidiaries of a third company) there shall be substituted the following sub-paragraph:—

“(iv) securities issued by the company and held by a company not resident in the United Kingdom, where—

(aa) the company which issued the securities is a 75 per cent, subsidiary of the other company; or

(bb) both are 75 per cent, subsidiaries of a third company which is not resident in the United Kingdom ; or

(cc) except where 90 per cent, or more of the share capital of the company which issued the securities is directly owned by a company resident in the United Kingdom, both the company which issued the securities and the company not resident in the United Kingdom are 75 per cent, subsidiaries of a third company which is resident in the United Kingdom or”.

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- (2) This paragraph does not apply to any payment becoming due or paid in an accounting period of the company making the payment which ends before 6th April 1970.

*Capital allowances for contributions to public expenditure*

- 7 In section 85 of the Capital Allowances Act 1968 (which provides for capital allowances for contributions to expenditure by another person, but not where that other person is the Crown or some other authority not within the charge to tax) after subsection (2) there shall be inserted the following subsection:—

“(2A) In relation to any contribution made after 5th April 1970 to expenditure incurred after that date by the Crown, or by any public or local authority in the United Kingdom, subsection (1) above shall have effect as if the words from ' and in respect' to the end of paragraph (d) were omitted”;

and in subsection (3), after the words "this subsection shall apply only where " there shall be inserted the words " subsection (2a) above does not apply but ".

*Purchased life annuity of variable amount*

- 8 (1) In section 230 of the Taxes Act after subsection (2) insert—

“(2a) Where, in the case of any purchased life annuity to which this section applies, the amount of any annuity payment (but not the term of the annuity) depends on any contingency other than the duration of a human life or lives—

(a) the capital element shall be determined by reference—

(i) to the amount or value of the payments made or other consideration given for the grant of the annuity (in this subsection referred to as the ' purchase price' of the annuity), and

(ii) to the expected term of the annuity, as at the date when the first annuity payment began to accrue, expressed in years (and any odd fraction of a year), and determined by reference to the prescribed tables of mortality,

and in head (ii) above ' term' means the period from the date when the first annuity payment begins to accrue to the date when the last payment becomes payable,

(b) the capital element in any annuity payment made in respect of a period of twelve months shall be a fraction

$$\frac{1}{E}$$

of the purchase price, where E is the said expected term,

(c) the capital element in any annuity payment made in respect of a period of less than, or more than, twelve months shall be the amount at (b) above reduced, or as the case may be increased, in the same proportion as the length of that period bears to a period of twelve months,

(d) subsection (2) above shall not apply, but paragraphs (a) and (b) of subsection (3) below shall apply as they apply to that subsection,

and in applying subsection (2)(d) above where both the amount and the term of the annuity depend on any contingency other than the duration of a human



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life or lives, regard shall be had to this subsection (and not to subsection (2) (c) above) as well as to the contingencies affecting the annuity.”

- (2) This paragraph has effect for the year 1970-71 and subsequent years of assessment, whether or not annuity payments under the annuity fell due before the beginning of the year 1970-71.

*Relief for payments of interest*

- 9 (1) In section 60(1) of the Taxes Act (loan to purchase machinery or plant used by a partnership) after " interest paid by him in" insert " the basis period (as defined in section 72 of that Act) for " .
- (2) In section 62(1) of the Taxes Act (certain pre-1970 loans) for the words " on which the recipient is chargeable to tax under Case III of Schedule D, and" substitute " which is chargeable to tax under Case III of Schedule D, and " .
- (3) In section 63(2) of the Taxes Act (overdraft interest: money drawn and applied in whole or part for eligible purposes) after " that money " insert " or as the case may be that part of it " , and accordingly in subsection (5) of the said section 63 the words from " and where part only " to the end of the subsection shall cease to have effect.
- (4) At the end of the said section 63 add—
- “(7) Subsection (6) above applies only where the loan subsists throughout the year of assessment (but it is necessary to ascertain the interest paid in respect of a part only of the year), and where the loan subsists only for a shorter period but it is necessary to ascertain the interest paid in respect of part of that period, the calculation shall be made in a corresponding way”.
- (5) After section 64 of the Taxes Act insert—

**“64A Schemes for employees and directors to acquire shares.**

Where under a scheme set up to comply with proviso (b) to section 54(1) of the Companies Act 1948 (financial assistance for company employees and salaried directors acquiring shares), or any corresponding enactment in force in Northern Ireland, trustees receive interest from such employees or directors then, if and so far as the scheme requires an equivalent amount to be paid by way of interest by the trustees to the company, the trustees shall be exempt from tax under Case III of Schedule D on that interest received by them.”

- (6) In section 173(3) of the Taxes Act (carry forward as losses of amounts taxed under section 53) before paragraph (a) insert—
- “(aa) to any payment to which the said section 53 applies by virtue of section 54(3) of this Act (annual interest)”.
- (7) In section 190 of the Taxes Act (interest on loans to purchase machinery or plant), in subsection (1)(a) after " balancing charge " insert " (or would be so entitled or liable but for some contribution made by the employer) " , and at the end insert—
- “(6) Where the whole of a debt does not fulfil the conditions required by this section, relief shall be given under this section only in respect of the proportion of any payment of interest equal to the proportion of the debt

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fulfilling those conditions at the time of the application of the money in question”.

- (8) Sections 19, 22 and 24 of, and paragraphs 1 and 7 of Schedule 13 to, the Finance Act 1969 (which correspond to the provisions amended by section 17 of this Act and this paragraph) shall be deemed always to have had effect as if there had been made in them, with the necessary adaptations of wording and in particular with the necessary adaptations of references to other enactments, the amendments which are directed by the said section 17 and the preceding provisions of this paragraph to be made in the corresponding provisions of the Taxes Act.

For the year 1969-70 the Income Tax Act 1952 shall have effect, in relation to any debt incurred after 15th April 1969, as if it contained a section corresponding to the section 64A inserted by this paragraph in the Taxes Act.

- (9) All such assessments, repayments of tax and other adjustments shall be made as are required to give effect to sub-paragraph (8) above, but that sub-paragraph shall not be taken as authorising the giving of any relief more than once.

*Inland Revenue procedures: returns and assessments*

- 10 In section 113 of the Management Act after subsection (1) insert—

“((1A)) Any notice or direction requiring any return to be made under the Taxes Acts to an inspector or other officer of the Board may be issued or given in the name of that officer, or as the case may be in the name of the Board, by any officer of the Board, and so as to require the return to be made to the first-mentioned officer.

((1B)) Where the Board or an inspector or other officer of the Board have in accordance with section 29 of this Act, or any other provision of the Taxes Acts, decided to make an assessment to tax, and have taken all other decisions needed for arriving at the amount of the assessment, they may entrust to some other officer of the Board responsibility for completing the assessing procedure, whether by means involving the use of a computer or otherwise, including responsibility for serving notice of the assessment on the person liable for tax.”

*Fractions of a penny*

- 11 Section 2(1) of the Taxes Act (no tax to be charged of a lower denomination than one penny) shall be amended by adding after " one penny " the words " or, as the case may require, one new penny " ; and the like amendment shall be made in section 4 of the Income Tax Act 1952 (corresponding provision for years preceding 1970-71).

## SCHEDULE 5

Sections 19 and 26.

### OCCUPATIONAL PENSION SCHEMES

#### PART I

##### APPROVED SCHEMES : CONDITIONS AS RESPECTS BENEFITS

###### *Employee's benefits*

- 1 The benefits payable to the employee must consist only of benefits payable on or after retirement at a specified age not earlier than 60 or later than 70, or on earlier retirement through incapacity.

###### *Overall limit on employee's benefits*

- 2 (1) The aggregate value of the relevant benefits payable to an employee on or after retirement, after 40 or more years' service, expressed as an annual amount payable for his life after retirement, must not exceed two-thirds of his final remuneration.
- (2) The aggregate value of the relevant benefits payable to an employee on or after his retirement, after less than 40 years' service, so expressed, must not exceed the limit in sub-paragraph (1) above reduced by multiplying by the number of years' service and dividing by 40.

###### *Limit on employee's lump sum benefits*

- 3 The aggregate value of the relevant benefits payable to an employee on or after retirement, excluding any pension which is not commutable, must not exceed three-eighths of his final remuneration for each year of service up to a maximum of 40.

###### *Death after retirement: widow's pension*

- 4 The annual amount of any pension payable to the widow of an employee who dies after retirement must not exceed one-half of the employee's pension.

###### *Death after retirement: other provisions*

- 5 (1) Subject to the following provisions of this paragraph, and except in the case of an employee who dies before retirement, benefits payable otherwise than to the employee must consist only of a pension payable to the employee's widow which is not commutable.
- (2) Where the employee dies after retirement, but so that less than 5 years' pension has become payable to him, sub-paragraph (1) above shall not prevent the making of payments not exceeding in all the value of the pension for the remaining part of the 5 years.
- (3) An employee may surrender part of his pension to provide a pension for his widow of an amount not exceeding the reduced pension retained by the husband, and the limit in paragraph 4 above shall be applied without regard to any pension so surrendered.

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*Death before retirement*

- 6        The aggregate value of benefits payable where the employee dies before retirement must not exceed twice his final remuneration.

*Pensions*

- 7        Pensions must not be capable of being assigned or, subject to paragraph 5(3) above, of being surrendered.

*Meaning of "final remuneration "*

- 8        In this Part of this Schedule " final remuneration " means the highest average annual remuneration of any 3 consecutive years in the last 10 years' service.

**PART II**

*Charge of pensions under Schedule E*

- 1        (1) Subject to sub-paragraph (2) below, all pensions paid under any scheme which is approved or is being considered for approval under the principal Chapter shall be charged to tax under Schedule E, and section 204 of the Taxes Act (pay-as-you-earn) shall apply accordingly.
- (2) As respects any scheme which is approved or is being considered for approval under the principal Chapter, the Board may direct that, until such date as the Board may specify, pensions under the scheme shall be charged to tax as annual payments under Case III of Schedule D, and tax shall be deductible under Part II of the Taxes Act accordingly.

*Charge to tax on repayment of employee's contributions*

- 2        (1) Where by way of repayment of, or of interest on, contributions made by an employee, any amount is paid—
- (a) in accordance with the rules of an exempt approved scheme, or
- (b) in accordance with a statutory scheme to which section 22 of this Act applies,
- the administrator of the scheme shall be charged to income tax under Case VI of Schedule D on that amount, and—
- (i) the rate of the tax shall be one half of the standard rate of income tax for the year in which the amount is paid,
- (ii) the tax shall be charged on the amount paid or, if the rules permit the administrator to deduct the tax before payment, on the amount before deduction of tax,
- (iii) the amount so charged to tax shall not be treated as income for any other purpose of the Tax Acts.
- (2) This paragraph shall not apply where the employee's employment was carried on outside the United Kingdom.
- (3) Sub-paragraph (1)(b) above shall not apply to any payment made before the date appointed under section 22 of this Act.

*Charge to tax: commutation of entire pension in special circumstances*

- 3 (1) Where—
- (a) an approved scheme, or
  - (b) a statutory scheme to which section 22 of this Act applies,
- contains a rule allowing, in special circumstances, a payment in commutation of an employee's entire pension, and any pension is commuted, whether wholly or not, under the rule, tax shall be charged on the amount by which the sum receivable exceeds—
- (i) the largest sum which would have been receivable in commutation of any part of the pension if the rule had conformed with paragraph 3 of Part I of this Schedule, or
  - (ii) the largest sum which would have been receivable in commutation of any part of the pension under any other rule of the scheme authorising the commutation of part (but not the whole) of the pension, or which would have been so receivable but for the said circumstances,
- whichever gives the lesser amount chargeable to tax.
- (2) Where any amount is chargeable to tax under this paragraph, the administrator of the scheme shall be charged to income tax under Case VI of Schedule D on that amount, and—
- (a) the rate of the tax shall be one half of the standard rate of income tax for the year in which the amount is paid,
  - (b) the tax shall be charged on the amount paid or, if the rules permit the administrator to deduct the tax before payment, on the amount before deduction of tax,
  - (c) the amount so charged to tax shall not be treated as income for any other purpose of the Tax Acts.
- (3) This paragraph shall not apply where the employee's employment was carried on outside the United Kingdom.
- (4) In applying paragraphs (i) and (ii) of sub-paragraph (1) above the same considerations shall be taken into account, including the provisions of any other relevant scheme, as would have been taken into account by the Board in applying section 19 of this Act.
- (5) Sub-paragraph (1)(b) above shall not apply to any payment made before the date appointed under section 22 of this Act.

*Charge to tax: repayments to employer*

- 4 (1) Where any payment is made or becomes due to an employer out of funds which are or have been held for the purposes of an exempt approved scheme then:—
- (a) if the scheme relates to a trade, profession or vocation carried on by the employer, the payment shall be treated for the purposes of the Tax Acts as a receipt of that trade, profession or vocation receivable when the payment falls due or on the last day on which the trade, profession or vocation is carried on by the employer, whichever is the earlier,
  - (b) if the scheme does not relate to such a trade, profession or vocation, the employer shall be charged to tax on the amount of the payment under Case VI of Schedule D.

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- (2) This paragraph shall not apply to a payment which fell due before the scheme became an exempt approved scheme.

*Charge to tax: unauthorised payments and payments after cessation of tax exemptions*

- 5 (1) Where a payment is made to or for the benefit of an employee, otherwise than in payment of a pension, and—
- (a) it is made under an approved scheme, but is not expressly authorised by the rules of the scheme, or
  - (b) it is made wholly or partly out of funds in respect of which relief has been given under section 21 of this Act or under section 208 of the Taxes Act, but is made when the scheme has ceased to be an approved scheme, and is in excess of the amounts authorised by the rules of the scheme before it ceased to be an approved scheme,
- the employee (whether or not he is the recipient of the payment) shall be chargeable to tax on that amount (or on that amount so far as made out of funds in respect of which relief has been given) under Schedule E for the year of assessment in which the payment is made.
- (2) So far as any payment is made out of funds in respect of which relief has been given under section 21 of this Act or under section 208 of the Taxes Act, paragraphs 2 and 3 of this Part of this Schedule shall apply as if references to an exempt approved scheme included references to a scheme which has at any time been an exempt approved scheme.

*Application for approval of a scheme*

- 6 An application for the approval for the purposes of the principal Chapter of any retirement benefits scheme shall be made in writing by the administrator of the scheme to the Board before the end of the first year of assessment for which approval is required, and shall be supported by—
- (a) two copies of the instrument or other document constituting the scheme ; and
  - (b) two copies of the rules of the scheme and, except where the application is being sought on the setting up of the scheme, two copies of the accounts of the scheme for the last year for which such accounts have been made up; and
  - (c) such other information and particulars (including copies of any actuarial report or advice given to the administrator or employer in connection with the setting up of the scheme) as the Board may consider relevant.

*Information about payments under approved schemes*

- 7 In the case of every approved scheme, the administrator of the scheme, and every employer who pays contributions under the scheme, shall, within thirty days from the date of a notice from the inspector requiring them so to do—
- (a) furnish to the inspector a return containing such particulars of contributions paid under the scheme as the notice may require ;
  - (b) prepare and deliver to the inspector a return containing particulars of all payments under the scheme, being—

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- (i) payments by way of return of contributions (including interest on contributions, if any),
  - (ii) payments by way of commutation of, or in lieu of, pensions, or other lump sum payments,
  - (iii) other payments made to an employer;
- (c) furnish to the inspector a copy of the accounts of the scheme to the last date previous to the notice to which such accounts have been made up together with such other information and particulars (including copies of any actuarial report or advice given to the administrator or employer in connection with the conduct of the scheme in the period to which the accounts relate) as the inspector considers relevant.

*Information about schemes, other than approved or statutory schemes*

- 8 (1) This paragraph has effect as respects a retirement benefits scheme which is neither an approved scheme nor a statutory scheme.
- (2) It shall be the duty of every employer—
- (a) if there subsists in relation to any of his employees any such scheme, to deliver particulars of that scheme to the Board within three months beginning with the date on which the scheme first comes into operation in relation to any of his employees, or the date of the coming into force of this paragraph, whichever is the later, and
  - (b) when required to do so by notice given by the Board, to furnish within the time limited by the notice such particulars as the Board may require with regard to—
    - (i) any retirement benefits scheme relating to the employer ; or
    - (ii) the employees of his to whom any such scheme relates.
- (3) It shall be the duty of the administrator of any such scheme, when required to do so by notice given by the Board, to furnish within the time limited by the notice such particulars as the Board may require with regard to the scheme.
- (4) This paragraph shall come into force on the same date as section 23 of this Act.

*Responsibility of administrator of a scheme*

- 9 (1) If the administrator of a retirement benefits scheme defaults or cannot be traced or dies, the employer shall be responsible in his place for the discharge of all duties imposed on the administrator under the principal Chapter, with this Part of this Schedule, and shall be liable for any tax due from him in his capacity as administrator.
- (2) No liability incurred under the principal Chapter or this Part of this Schedule by the administrator of a scheme, or by an employer, shall be affected by the termination of the scheme or by it ceasing to be an approved scheme, or to be an exempt approved scheme.
- (3) References in this paragraph to the employer include, where the employer is resident outside the United Kingdom, references to any branch or agent of the employer in the United Kingdom, and in this sub-paragraph " branch or agent" has the meaning given by section 118(1) of the Management Act.

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### *Regulations*

- 10        The Board may by statutory instrument, subject to annulment in pursuance of a resolution of the Commons House of Parliament, make regulations generally for the purpose of carrying the principal Chapter and this Schedule into effect.

## **PART III**

### CONSEQUENTIAL AMENDMENTS

#### *Tax treatment of life assurance business*

- 11        (1) In section 323(4) of the Taxes Act (definition of pension annuity business) after paragraph (a) insert
- “(aa) any contract (including a contract of insurance) entered into for the purposes of, and made with the persons having the management of, an exempt approved scheme as defined in Chapter II of Part II of the Finance Act 1970, being a contract so framed that the liabilities undertaken by the insurance company under the contract correspond with liabilities against which the contract is intended to secure the scheme”.
- (2) In relation to an exempt approved scheme the said paragraph (aa) shall apply, so long as the scheme is an exempt approved scheme, whether or not the premiums were paid, or any other part of the business was transacted, before the scheme became an approved scheme, and in the said section 323(4) the words " (at the time when the premium is payable)" shall cease to have effect.
- (3) Business formerly called " pension annuity business " shall in future be called pension business (because under sub-paragraph (1) above it includes some business unrelated to annuities), and in the following provisions of the Taxes Act (and in any other enactment) for " pension annuity business " substitute " pension business ".
- Section 312(1)(3)(4)  
 Section 314 (throughout)  
 Section 315(8)(b)  
 Section 318(1)  
 Section 323(4)
- (4) In section 323(2) of the Taxes Act at the end of the definition of " annuity business " add " ' general annuity business ' means any annuity business which is not pension business, and 'pension business ' shall be construed in accordance with subsections (3) and (4) below. "
- (5) For section 323(3) substitute
- “(3) Any division to be made between general annuity business, pension business and other life assurance business shall be made on the principle of—
- (a) referring to pension business any premiums falling within subsection (4) below, together with the incomings, outgoings and liabilities referable to those premiums, and the policies and contracts under which they are or have been paid,
- (b) allocating to general annuity business all other annuity business,



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and references to " pension fund " and " general annuity fund " shall be construed accordingly, whether or not any such funds are kept separate from the insurance company's life assurance fund.”

(6) In the Taxes Act—

- (a) in section 312(2)(a) after " policy-holders " insert " other than holders of policies referable to pension business ".
- (b) in section 312(2)(c) for the words " in connection with the granting of annuities on human life " substitute " from pension business or general annuity business ".
- (c) in section 314(1) and (3)(b) for " annuity fund " substitute " life assurance fund and separate annuity fund, if any ".
- (d) in section 316(1) and (3) and 320(1) and (2) for " (excluding the annuity fund, if any) " substitute " (excluding the pension fund and general annuity fund, if any) ".
- (e) in section 316(3) for " annuity business " (at end of the subsection) substitute " general annuity and pension business ".
- (f) in section 328(1)(b) for " annuity business " substitute " pension business and general annuity business ".

*Other amendments of Taxes Act*

- 12 (1) In section 188(1) of the Taxes Act (exemptions and reliefs in respect of tax under section 187), after paragraph (c) insert—

“(cc) a benefit provided in pursuance of any retirement benefits scheme where under section 23 of the Finance Act 1970 the employee (as defined for the purposes of that section) was chargeable to tax in respect of sums paid, or treated as paid, with a view to the provision of the benefit ”, ”,

and at the end of paragraph (d) add " or in section 24(1) of the Finance Act 1970 ".

- (2) In section 211(5) of the Taxes Act (Parliamentary pension funds) for the words from " payable by a superannuation " to the end of the subsection substitute " payable by an exempt approved scheme as defined in Chapter II of Part II of the Finance Act 1970, and for the purposes of that Chapter (and the provisions to be construed as one with it) each such Fund shall be treated as an exempt approved scheme. "

- (3) In section 283(4) of the Taxes Act (definition of close company) after paragraph (b) insert—

“(bb) if held on trust for an exempt approved scheme as defined in Chapter II of Part II of the Finance Act 1970, or”.

- (4) In the proviso to section 303 (3) of the Taxes Act (meaning of " associate ") after paragraph (i) insert—

“(iA) if the trust relates exclusively to an exempt approved scheme as defined in Chapter II of Part II of the Finance Act 1970, or”.

- (5) In the proviso to section 422(4), and in the proviso to section 423(1) of the Taxes Act (modification of pre-war provisions for tax free payments) at the end add " or by virtue of paragraph 1 of Part II of Schedule 5 to the Finance Act 1970 ".

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- (6) At the end of paragraph 4(c) of Schedule 8 to the Taxes Act (payments on retirement or removal from office : top-slicing relief) add " or in pursuance of any exempt approved scheme as defined in Chapter II of Part II of the Finance Act 1970 ".
- (7) The repeal of Chapter II of Part I) of the Taxes Act by this Act shall not affect the following provisions of the Taxes Act (which apply definitions in section 224(1) in the said Chapter II), or any other enactment applying those definitions.
- Section 186(10)(c).
- Section 226(9).
- The proviso to paragraph 4 of Schedule 8.

*Amendment of Taxes Management Act 1970*

- 13 In section 98 of the Management Act (penalties) in column 1 of the Table insert a reference at the appropriate place to paragraph 7 and sub-paragraph (2)(b) and (3) of paragraph 8 of Part II of this Schedule and in column 2 of the Table to sub-paragraph (2)(a) of the said paragraph 8.

*Estate duty*

- 14 In paragraph 10(c) of Part II of Schedule 17 to the Finance Act 1969 (estate duty: relief for certain superannuation funds) the reference to the schemes or funds there described shall include a reference to any exempt approved scheme or statutory scheme as defined in Chapter II of Part II of this Act.

SCHEDULE 6

Section 29.

TAXATION OF CAPITAL ELEMENT IN MINERAL ROYALTIES

**PART I**

CALCULATION OF CAPITAL ELEMENT

- 1 In a case falling within paragraph (b) of subsection (3) of section 29 of this Act, that is to say in a case where betterment levy was chargeable under Case B on the last disposition affecting the mineral lease or agreement concerned and giving rise to an assessment to betterment levy, the relevant fraction referred to in subsection (1) (b) of that section is:—

$$\frac{B}{2C}$$

where—

- B is the base value realised by that disposition, and  
 C is the amount of the consideration for the disposition.

- 2 Expressions used in paragraph 1 above have the same meanings in that paragraph as they have for the purposes of assessing betterment levy under Case B within the meaning of Part III of the Land Commission Act 1967.

## PART II

### TERMINAL LOSS RELIEF

- 3 (1) The provisions of this Part of this Schedule apply in a case where, at the time of the occurrence of a relevant event in relation to a mineral lease or agreement, the person who immediately before that event occurred was entitled to receive mineral royalties under the lease or agreement (in this Part of this Schedule referred to as "the taxpayer ") has an interest in the land to which the mineral lease or agreement relates (in this Part of this Schedule referred to, in relation to the lease or agreement, as "the relevant interest").
- (2) For the purposes of this Part of this Schedule a relevant event occurs in relation to a mineral lease or agreement—
- (a) on the expiry or termination of the mineral lease or agreement ;
  - (b) if the relevant interest is disposed of, or is treated as having been disposed of by virtue of any provision of Part III of the Finance Act 1965 (capital gains).
- 4 (1) Subject to sub-paragraph (2) below, on the expiry or termination of a mineral lease or agreement the taxpayer shall, if he makes a claim in that behalf, be treated for purposes of capital gains tax, or as the case may be corporation tax on chargeable gains, as if he had disposed of and immediately re-acquired the relevant interest for a consideration equal to its market value, but without prejudice to the operation of section 33 of the Finance Act 1967 (amount of chargeable gain calculated by reference to current use value unless the taxpayer elects to the contrary).
- (2) A claim may not be made under this paragraph—
- (a) if the expiry or termination of the mineral lease or agreement is also a relevant event falling within paragraph 3(2)(b) above; nor
  - (b) unless, on the notional disposal referred to in sub-paragraph (1) above, an allowable loss would accrue to the taxpayer.
- (3) In the following provisions of this Part of this Schedule "the terminal loss ", in relation to a relevant event in respect of which a claim is made under this paragraph, means the allowable loss which accrues to the taxpayer by virtue of the notional disposal occurring on that relevant event by virtue of sub-paragraph (1) above.
- 5 (1) On making a claim under paragraph 4 above, the taxpayer shall specify whether he requires the terminal loss to be dealt with in accordance with this paragraph or with paragraph 7 below.
- (2) Where the taxpayer requires the loss to be dealt with in accordance with this paragraph it shall be treated as an allowable loss accruing to him in the year of assessment or accounting period in which the mineral lease or agreement expires.
- 6 (1) If on the occurrence of a relevant event falling within paragraph 3(2)(b) above, an allowable loss accrues to the taxpayer on the disposal or notional disposal which constitutes that relevant event, the taxpayer may make a claim under this paragraph requiring the loss to be dealt with in accordance with paragraph 1 below and not in any other way.
- (2) In the following provisions of this part of this Schedule " the terminal loss " in relation to a relevant event in respect of which a claim is made under this paragraph means the allowable loss which accrues to the taxpayer as mentioned in sub-paragraph (1) above.

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- 7 (1) Where, as a result of a claim under paragraph 4 or paragraph 6 above, the terminal loss is to be dealt with in accordance with this paragraph, then, subject to sub-paragraph (2) below, it shall be deducted from or set off against the amount on which the taxpayer was chargeable to capital gains tax, or as the case may be corporation tax, for years of assessment or accounting periods preceding the year of assessment or accounting period in which occurred the relevant event giving rise to the terminal loss and falling wholly or partly within the period of fifteen years ending with the date of that event.
- (2) The amount of the terminal loss which, by virtue of sub-paragraph (1) above, is to be deducted from or set off against the amount on which the taxpayer was chargeable to capital gains tax, or as the case may be corporation tax, for any year of assessment or accounting period shall not exceed the amount of the gain which in that year or period was treated, by virtue of subsection (1)(b) of section 29 of this Act, as accruing to the taxpayer in respect of mineral royalties under the mineral lease or agreement in question ; and subject to this limit any relief given to the taxpayer by virtue of sub-paragraph (1) above shall be given as far as possible for a later rather than an earlier year of assessment or accounting period.
- (3) If in any case where relief has been given to the taxpayer in accordance with sub-paragraphs (1) and (2) above there remains an unexpended balance of the terminal loss which cannot be applied in accordance with those sub-paragraphs, there shall be treated as accruing to the taxpayer in the year of assessment or accounting period in which the relevant event occurs an allowable loss equal to that unexpended balance.
- 8 (1) No claim under paragraph 4 or paragraph 6 above shall be allowed unless it is made within six years from the date of the relevant event by virtue of which the taxpayer is entitled to make the claim.
- (2) All such repayments of tax shall be made as may be necessary to give effect to any such claim.
- 9 This Part of this Schedule shall be construed as one with Part III of the Finance Act 1965.

## SCHEDULE 7

Section 32.

### STAMP DUTIES

#### PART I

##### ABOLITION OF CERTAIN DUTIES

###### *Duties abolished as from 1st August 1970*

- 1 (1) This paragraph has effect as from 1st August 1970.
- (2) The following stamp duties are hereby abolished—
- (a) the duty of 6d. specified in Schedule 1 to the Stamp Act 1891 under the heading beginning " Agreement or any Memorandum of an Agreement " (the provisions consequential on this abolition being those contained in sub-paragraph (3) below);

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- (b) the duty of 6d. specified in that Schedule under the heading " Policy of Insurance other than Life Insurance " inserted by section 30(1) of the Finance Act 1959 (and so that a policy of insurance other than life insurance shall be exempt from all stamp duties);
  - (c) the duty of £10 or £6 imposed on a certificate of registration for an alkali or other works by section 9(6) of the Alkali, &c. Works Regulation Act 1906 as amended by section 47 of the Finance Act 1922 ; and
  - (d) the duty of 10s. imposed on the memorandum and on the articles of association of a company by virtue of section 3 and section 9(c) respectively of the Companies Act 1948 (which provide that each of those documents is to be stamped as if it were a deed).
- (3) In consequence of sub-paragraph (2)(d) above—
- (a) in subsections (1) and (2) of section 23 of the Stamp Act 1891 (certain mortgages of stock to be chargeable as agreements), for " shall be deemed to be an agreement, and shall be charged with duty accordingly" substitute " shall be exempt from duty ".
  - (b) in section 59 of that Act (certain contracts for sale to be chargeable ad valorem as conveyances)—
    - (i) in subsection (2) (sub-contracts under which the consideration does not exceed that for the original sale to be charged only as deeds or agreements), for " and in any other case with the fixed duty of ten shillings or of sixpence, as the case may require " substitute " but shall not otherwise be chargeable except where appropriate with the fixed duty of 10s. " , and
    - (ii) in subsection (5) (stamping of conveyances made in conformity with contracts not stamped ad valorem but stamped with the fixed duty of 10s. or 6d.), for the words from the beginning to " the said fixed duty" substitute " Provided that where any such contract or agreement is stamped with the fixed duty of 10s. or would, apart from this section, not be chargeable with any duty " , and
  - (c) in section 7 of the Finance Act 1907 (hire purchase agreements to be charged only as deeds or agreements), for the words from " shall be charged " to the end substitute " shall only be charged with stamp duty if under seal (or, in Scotland, with a clause of registration), and shall then be so charged as a deed ".

*Duties abolished as from 1st February 1971*

- 2 (1) This paragraph has effect as from 1st February 1971.
- (2) The following stamp duties are hereby abolished—
- (a) the duty of 2d. specified in Schedule 1 to the Stamp Act 1891 under the heading beginning "Bill of Exchange or Promissory Note" inserted by section 33(1) of the Finance Act 1961 ; and
  - (b) the duty of 2d. specified in that Schedule under the heading beginning " Receipt".
- (3) No application for relief in respect of the duty referred to in sub-paragraph (2)(a) above may be made under any of sections 9 to 12 of the Stamp Duties Management Act 1891 (spoiled, misused and unwanted stamps); and no repayment shall be made under any agreement entered into under section 39 of the Finance Act 1956

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(composition for the said duty by bankers) in respect of any form supplied by a banker to a customer and returned to the banker unused or spoiled on or after the said 1st February.

## PART II

### GENERAL AMENDMENTS

- 3        This Part of this Schedule, except paragraph 5, has effect as from 1st August 1970.

#### *Agreements for purposes of Highway Acts*

- 4        An instrument shall be chargeable with stamp duty under the heading in Schedule 1 to the Stamp Act 1891 beginning "Agreement or Contract made or entered into pursuant to the Highway Acts " only if it is under seal, or, in Scotland, only if it has a clause of registration, and shall then be so chargeable with a duty of Is.

#### *Bank notes (composition)*

- 5        (1) This paragraph applies to any agreement under section 7 of the Bankers' Composition (Scotland) Act 1853 which is in force at the passing of this Act, and which makes provision for periodic payments, calculated by reference to the value of notes in circulation, in lieu of the duty chargeable under the heading " Bank Note " in Schedule 1 to the Stamp Act 1891.
- (2) As respects any period beginning after 26th December 1970, the payments due under any agreement to which this paragraph applies shall be calculated as if for any reference in the agreement to a rate of 4s. 2d. per £100 there were substituted a reference to a rate of 4s. per £100.

#### *Bearer instruments*

- 6        (1) The heading " Bearer Instrument" inserted in Schedule 1 to the Stamp Act 1891 by section 59(1) of the Finance Act 1963 shall be amended as follows.
- (2) In paragraph (3) (instrument excepted from paragraph (1) or (2) ; duty of 6d. for every £25, or part of £25, of market value), for " 6d." substitute " Is. ". and for " £25 " (in each place) substitute " £50 ".
- (3) In paragraph (4) (duty of 6d. on substituted instrument), for " 6d. " substitute " Is. ".
- (4) Where an overseas bearer instrument in respect of a loan expressed in sterling has been stamped ad valorem, or with the denoting stamp referred to in section 60(3) of the Finance Act 1963, or with duty under paragraph (4) of the said heading, duty shall not be charged under that heading by reason only that the instrument is amended on its face pursuant to an agreement for the variation of any of its original terms or conditions.

#### *Bond, covenant, etc.*

- 7        (1) The heading beginning " Bond, Covenant " in Schedule 1 to the Stamp Act 1891 shall be amended as follows.

- (2) In paragraph (1) (only or principal security for annuity or other periodic payment; duty of 2s. 6d. for every £5 or part if for an indefinite period), for the reference to 2s. 6d. substitute a reference to 2s.
- (3) In paragraph (2) (collateral etc. security for annuity or other periodic payment; duty of 6d. for every £5 or part if total amount payable cannot be ascertained), for the reference to 6d. substitute a reference to 1s., and for each reference to £5 substitute a reference to £10.
- (4) In paragraph (3) (grant or contract for payment of superannuation annuity ; duty of 6d. for every £5 or part), for the reference to 6d. substitute a reference to 1s., and for each reference to £5 substitute a reference to £10.

*Bonds not otherwise chargeable*

- 8 In the heading " Bond of any kind whatsoever not specifically charged with any duty " in Schedule 1 to the Stamp Act 1891 (under which a bond is chargeable with the same ad valorem duty as one for the amount limited to be recoverable if that amount does not exceed £300, and with a duty of 10s. in any other case), for " £300 " substitute " £400 ".

*Contract notes*

- 9 (1) In section 77(1) of the Finance (1909-10) Act 1910 (duties on contract notes for sale or purchase of stock or marketable securities of £5 or more in value), for all the words after " the following stamp duties " substitute—

“Where the value of the stock or marketable security—

exceeds £100 and does not exceed £500	2s.
exceeds £500 and does not exceed £1,500	6s.
exceeds £1,500	12s.”

- (2) In consequence of sub-paragraph (1) above, in subsections (1) and (3) of section 78 of the said Act of 1910 (duty to execute contract note as respects stock etc. of £5 or more in value), for " the value of five pounds or upwards " or " a value of five pounds or upwards ", wherever occurring, substitute " a value exceeding £100 ".
- (3) In subsection (4) of the said section 78 (duty on contract note to be denoted by an appropriated adhesive stamp, and the stamp to be effectively cancelled), after " denoted " insert " either by an impressed stamp or ". and for " and the stamp " substitute " and any such adhesive stamp ".

*Conveyance or transfer on sale*

- 10 For the Table set out in Part I of Schedule 11 to the Finance Act 1963 (ad valorem duty on conveyance or transfer on sale) as amended by section 27(1) of the Finance Act 1967 substitute the following:—

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“Amount or value of consideration	Special rate for certain instruments certified at £7,000	Ordinary rate
Not exceeding £5	1s.	1s.
Exceeding £5 but not exceeding £100.	1s. for every £10 or part of £10 of the consideration.	2s. for every £10 or part of £10 of the consideration.
Exceeding £100 but not exceeding £300.	2s. for every £20 or part of £20 of the consideration.	4s. for every £20 or part of £20 of the consideration.
Exceeding £300	5s. for every £50 or part of £50 of the consideration.	10s. for every £50 or part of £50 of the consideration.”

- 11 In section 62(2) of the Finance Act 1963 (rate of duty in respect of a transfer of commonwealth government stock to be one-quarter of that which would otherwise be chargeable, or, if the amount or value of the consideration does not exceed £5, 3d.), for the words from " one-quarter " to the end substitute " 1s. for every £20 or part of £20 of the consideration if the amount or value thereof does not exceed £300, and, in any other case, 5s. for every £100 or part of £100 of the consideration ".
- 12 Section 59(4) of the Stamp Act 1891 (contract for sale not stamped ad valorem but stamped with fixed duty of 10s. or 6d. to be treated as duly stamped for certain purposes) shall cease to have effect.
- 13 (1) Section 114 of the Stamp Act 1891 (composition for stamp duty on transfers of colonial etc. stock) shall cease to have effect, but transfers of any stock in respect of which payments have been made under that section shall continue to be exempt from stamp duty.
- (2) In section 37(2) of the Finance Act 1939 (composition agreements in respect of colonial etc. stock: rate of payment per £100 of aggregate nominal amount of stock) for "three pence for every one hundred pounds and any fraction of one hundred pounds " substitute " 1s. for every £400 and any fraction of £400 " ; and any agreement entered into for the purposes of the said section 37 before the passing of this Act shall, so far as it relates to payments to be made on or after 1st August 1970, have effect as if it provided for the making of those payments at the rate at which duty is chargeable under that section by virtue of this sub-paragraph.

*Lease or tack*

- 14 In section 75(2) of the Stamp Act 1891 (duty of 6d. on lease or tack if preceded by an agreement duly stamped as an actual lease or tack), for " sixpence " substitute " 1s. ".

*Loan capital duty*

- 15 (1) Where duty on a statement of loan capital is charged under section 8 of the Finance Act 1899 at the rate of 10s. for every £100, or part of £100, imposed by section 28(1) of the Finance Act 1967, any repayment in respect of that duty under section 10(1) of the Finance Act 1907 shall be at a rate of 19s. for every £200 of the loan capital



shown to the satisfaction of the Commissioners to have been applied for the purpose of the conversion or consolidation of existing loan capital, instead of at the rate of 9s. 6d. for every £100 provided for by section 28(5) of the said Act of 1967.

(2) Where—

- (a) there is for the purposes of the charge to duty under section 8 of the Finance Act 1899 an issue of loan capital by a body corporate consisting in the assumption by that body corporate of liability under a mortgage or charge subject to which property is conveyed or transferred to it by another body corporate, and
- (b) the conveyance or transfer is exempt from duty by virtue of section 42 of the Finance Act 1930 (associated companies),

the first mentioned body corporate shall be treated as having applied the loan capital in the conversion of existing loan capital, and section 10 of the Finance Act 1907 shall have effect accordingly.

*Mortgages etc.*

16 (1) The heading beginning " Mortgage, Bond, Debenture, Covenant" in Schedule 1 to the Stamp Act 1891 shall be amended in accordance with sub-paragraphs (2) and (3) below.

(2) In paragraph (1) of that heading (only, or principal or primary, security), for the words from " Not exceeding £10" to the end substitute—

"Not exceeding £300	1s. for every £50 or part of £50 of the amount secured.
Exceeding £300.	2s. for every £100 or part of £100 of the amount secured".

(3) In paragraphs (2), (4) and (5) of that heading (collateral etc. securities, transfers etc. and re-conveyances etc.: duty of 6d. for every £100 or part), for each reference to 6d. substitute a reference to 1s., and for each reference to £100 substitute a reference to £200.

(4) The duty chargeable under paragraph (4) of the said heading on the transfer, assignment, disposition or assignation to any person of, or of the money or stock secured by, any collateral, auxiliary, additional or substituted security (including any instrument by way of further assurance) shall not exceed 10s. if a transfer, assignment, disposition or assignation to the same person of (or, as the case may be, of the money or stock secured by) the principal or primary security has been duly stamped with the duty chargeable under that paragraph.

(5) Paragraph (5) of the said heading shall also be amended by inserting, after " Renunciation " , the words " in whole or in part" ; and the duty chargeable under that paragraph shall not in any case exceed 10s.

*Policies of life insurance*

17 (1) The following shall be substituted for the heading " Policy of Life Insurance " in Schedule 1 to the Stamp Act 1891—

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“POLICY OF LIFE INSURANCE—

Where the amount insured exceeds £50 but does not exceed £1,000.

1s. for every £100 or part of £100 of the amount insured.

Where the amount insured exceeds £1,000.

10s. for every £1,000 or part of £1,000 of the amount insured.

And see sections 91, 98 and 100”.

- (2) In subsections (1) and (3) of section 47 of the Finance Act 1966 (maximum duty of 6d. on policy of life insurance made for period not exceeding two years), for "sixpence" substitute "1s. ".
- (3) A policy of life insurance which is made solely in connection with the re-insurance of a risk to which a policy duly stamped under the heading "Policy of Life Insurance" relates shall be chargeable with duty under that heading only if it is under seal, or, in Scotland, only if it has a clause of registration, and the duty then chargeable shall not exceed 10s.

### PART III

#### SPECIAL PROVISIONS CONNECTED WITH THE NEW CURRENCY

##### *Bank notes (rates)*

- 18 As from 15th February 1971, the heading "Bank Note" in Schedule 1 to the Stamp Act 1891 shall be amended by substituting for the references to 5d., 10d., 1s. 3d., 1s. 9d., 2s. 0d., 3s. 0d., 5s. 0d. and 8s. 6d. references respectively to 2p., 4p., 6p., 9p., 10p., 15p., 25p. and 43p.

##### *Late stamping etc.*

- 19 (1) Where immediately before 15th February 1971 any instrument chargeable with stamp duty is either not stamped or overstamped or insufficiently stamped, the amount of duty then chargeable, or properly chargeable, on the instrument, or, in the case of an insufficiently stamped instrument, the amount of additional duty then chargeable thereon, shall thereafter become, for all the purposes of the enactments relating to stamp duties—
  - (a) the equivalent of that amount in the new currency, reduced where that equivalent is not a multiple of 5p. to the nearest such multiple, or
  - (b) 5p. if the said equivalent is less than 10p.
- (2) In sub-paragraph (1) above, "the new currency" means the new currency of the United Kingdom provided for by the Decimal Currency Act 1967.

## SCHEDULE 8

Section 36(8).

### REPEALS

#### PART I

#### GAMING LICENCE DUTY

Chapter	Short Title	Extent of Repeal
<a href="#">1966 c. 18.</a>	The Finance Act 1966.	<p>Section 13.</p> <p>In section 15, in subsections (4) and (6) as amended by section 5(16) of the Finance Act 1969 the words " and 13 " and in subsection (6) the definitions of " gaming ", " hereditament ", and all other definitions from that of " premises " onwards.</p> <p>In Schedule 3, Part II, and in paragraph 18(1) the words " or the duty on gaming licences ", in paragraph 19(c) the word " 14 ", paragraph 19(d) and paragraph 21.</p>
<a href="#">1968 c. 65.</a>	The Gaming Act 1968.	<p>In Part III of Schedule 11 the amendments of section 13(4) of the Finance Act 1966 and in the amendment of section 15(6) of that Act the words from " the definitions of ' gaming ' " to the end.</p>
<a href="#">1969 c. 32.</a>	The Finance Act 1969.	<p>Section 4.</p> <p>In section 5(16) the words " and 13 ".</p> <p>Schedule 10.</p>

The repeals in this Part of this Schedule do not apply as respects any gaming before 1st October 1970.

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**PART II**

## OTHER CUSTOMS AND EXCISE REPEALS

Chapter	Short Title	Extent of Repeal
<a href="#">10 &amp; 11 Eliz. 2. c. 13.</a>	The Vehicles (Excise) Act 1962.	Section 9(3).
<a href="#">1966 c. 18.</a>	The Finance Act 1966.	Section 12(2)(b) as respects bets made on or after 27th April 1970.
<a href="#">1968 c. 44.</a>	The Finance Act 1968.	Section 4(1) as respects bets made on or after 27th April 1970.
<a href="#">1969 c. 27.</a>	The Vehicle and Driving Licences Act 1969.	In section 8(3), the words from " and in making " to " disregarded ".
<a href="#">1969 c. 32.</a>	The Finance Act 1969.	Section 1(1)(b). Section 2 and Schedule 8 except as respects any period before 27th April 1970.

The repeals in the Vehicles (Excise) Act 1962 and the Vehicle and Driving Licences Act 1969 have effect as from 15th February 1971.

**PART III**

## OCCUPATIONAL PENSION SCHEMES

Chapter	Short Title	Extent of Repeal
<a href="#">1965 c. 11.</a>	The Ministerial Salaries and Members' Pensions Act 1965.	Section 13(1)(a).
<a href="#">1970 c. 10.</a>	The Income and Corporation Taxes Act 1970.	Section 208 from the date appointed under section 21 of this Act. Section 209 from the coming into force of section 22 of this Act. Chapter 11 of Part IX from the coming into force of section 23 of this Act.
<i>Act of the Parliament of Northern Ireland</i>		
<a href="#">1965 c. 18.</a>	The Ministerial Salaries and Members' Pensions Act (Northern Ireland) 1965.	Section 12(1)(a).

## PART IV

### STAMP DUTY REPEALS HAVING EFFECT FROM 1ST AUGUST 1970

Chapter	Short Title	Extent of Repeal
54 & 55 Vict. c. 39.	The Stamp Act 1891.	Sections 22, 59(4), 99, 114 and 116.  In Schedule 1, the heading beginning " Agreement or any Memorandum" (including the word " Exemptions " and all that follows); the heading " Contract"; in the heading " Defeazance", the words "Agreement, and"; in the heading beginning " Mortgage of Stock ", the words " Agreement, and "; and the heading " Policy of Insurance other than Life Insurance ".
57 & 58 Vict. c. 30.	The Finance Act 1894.	In Schedule 2, the Second Part.
61 & 62 Vict. c. 10.	The Finance Act 1898.	Section 39.
6 Edw. 7. c. 14.	The Alkali, &c. Works Regulation Act 1906.	Section 5.
9 Edw. 7. c. 34.	The Electric Lighting Act 1909.	Section 9(6).
10 & 11 Geo. 5. c. 18.	The Finance Act 1920.	In section 19, the words from " and also " to the end.
12 & 13 Geo. 5. c. 17.	The Finance Act 1922.	Section 37(1).
18 & 19 Geo. 5. c. 17.	The Finance Act 1928.	Sections 46 and 47.
2 & 3 Geo. 6. c. 41.	The Finance Act 1939.	Section 32.
10 & 11 Geo. 6. c. 35.	The Finance Act 1947.	Section 37(4).
11 & 12 Geo. 6. c. 38.	The Companies Act 1948.	Section 52.
12 & 13 Geo. 6. c. 47.	The Finance Act 1949.	In section 3, the words " must bear the same stamp as if it were a deed, and"; and section 9(c)  In Part I of Schedule 8, in paragraph 17 the words " under the heading Agreement or any Memorandum of an Agreement or " and the

This Part of this Schedule has effect as from 1st August 1970.

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Chapter	Short Title	Extent of Repeal
15 & 16 Geo. 6 and 1 Eliz. 2. c. 57.	The Marine and Aviation Insurance (War Risks) Act 1952.	words from " and no other " to the end; and, in paragraph 27, the words from " (a warrant " to the end.
6 & 7 Eliz. 2. c. 56.	The Finance Act 1958.	In section 7, subsections (2) and (3).
7 & 8 Eliz. 2. c. 58.	The Finance Act 1959.	In section 35, the words " and the heading ' Agreement or any Memorandum of an Agreement' " in subsection (1)(a), and the whole of subsection (1)(b).
10 & 11 Eliz. 2. c. 44.	The Finance Act 1962.	In section 30, subsections (1) to (3) and (4)(c).
1963 c. 25.	The Finance Act 1963.	Section 31.
1967 c. 54.	The Finance Act 1967.	In section 57(1), the words "114 and", and the words " Finance Act 1939, section 37 ": and section 57(2).
1967 c. 81.	The Companies Act 1967.	In section 27(1), the words "and Part I of Schedule 11 to ". In section 43(2)(b), the words " bearing the same stamp as if they were contained in a deed ".

This Part of this Schedule has effect as from 1st August 1970.

**PART V****STAMP DUTY REPEALS HAVING EFFECT FROM 1ST FEBRUARY 1971**

Chapter	Short Title	Extent of Repeal
7 Geo. 4. c. 6.	The Bank Notes Act 1826.	Section 7.
7 Geo. 4. c. 16.	The Chelsea and Kilmainham Hospitals Act 1826.	Section 39.
3 & 4 Vict. c. 110.	The Loan Societies Act 1840.	In section 14, the words from " nor any receipt" to "or order ".
27 & 28 Vict. c. 24.	The Naval Agency and Distribution Act 1864.	In section 16, the words " bills, orders, receipts and other ".

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Chapter	Short Title	Extent of Repeal
28 & 29 Vict. c. 73.	The Naval and Marine. Pay and Pensions Act 1865.	In section 6, the words " bills, orders, receipts and other ".
35 & 36 Vict. c. 93.	The Pawnbrokers Act 1872.	In section 15, the words from " and such a receipt " to the end.
38 & 39 Vict. c. 83.	The Local Loans Act 1875.	Section 19.
45 & 46 Vict. c. 61.	The Bills of Exchange Act 1882.	In section 20(1), the word " stamped ", and the words " the stamp will cover ".
47 & 48 Vict. c. 55.	The Pensions and Yeomanry Pay Act 1884.	In section 5, the words " order, receipt and ".
54 & 55 Vict. c. 39.	The Stamp Act 1891.	In section 23, in subsections (1) and (2), the words " (not being a promissory note or bill of exchange)".  Sections 32, 33, 35 to 39, and 101 to 103.

## PART VI

### MISCELLANEOUS REPEALS

Chapter	Short Title	Extent of Repeal
57 & 58 Vict. c. 30.	The Finance Act 1894.	In section 6(8), the words " with interest at the rate of three per cent, per annum from the date at which the first instalment is due ".
6 & 7 Geo. 6. c. 28.	The Finance Act 1943.	Section 27 so far as it relates to interest accruing after the
14 Geo. 6. c. 21.	The Miscellaneous Financial Provisions Act 1950.	In section 2, subsections (1) and (5)
15 & 16 Geo. 6 and 1 Eliz. 2. c. 10.	The Income Tax Act 1952.	In section 2(1), the words " in excess of that amount ".
1964 c. 9.	The Public Works Loans Act 1964.	Sections 7(2) and 9(3).
1967 c. 54.	The Finance Act 1967.	Section 44.
1969 c. 32.	The Finance Act 1969.	In section 41(2), the word " registered " in both places where it occurs.  Section 57.

The repeal in Part II of Schedule 17 to the Finance Act 1969 has effect in accordance with section 31(6) of this Act.

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Chapter	Short Title	Extent of Repeal
1969 c. 50.	The Trustee Savings Banks Act 1969.	<p>In Schedule 17, in Part II paragraph 7(1), the words "subsisting at the date of the earlier death".</p> <p>In Schedule 18, in Part I, the word "registered" in the first italic cross-heading.</p> <p>In section 34(2) the words "and not exceeding £313s. 0d. per cent, per annum".</p>
1970 c. 10.	The Income and Corporation Taxes Act 1970.	<p>In section 3(1), the words "in excess of that amount".</p> <p>In section 14(1)(a), the words from "except" to "infirmity".</p> <p>In section 19(8), the words "(and, in particular, in section 22 below)".</p> <p>Section 22.</p> <p>In section 37, subsection (3) (c) and the preceding "and".</p> <p>In section 63(5) the words from "and, where part only" to the end of the subsection.</p> <p>Section 240(6) from the beginning of the first year of assessment for which company tax regulations have effect.</p> <p>In section 513, subsection (4).</p> <p>In Schedule 3, in paragraph 6, the words from "and shall apply" to the end.</p> <p>Schedule 9 from the beginning of the first year of assessment for which company tax regulations have effect.</p>

The repeal in Part II of Schedule 17 to the Finance Act 1969 has effect in accordance with section 31(6) of this Act.



## PART VII

### OBSOLETE OR UNNECESSARY PROVISIONS IN TAXES ACTS

Chapter	Short Title	Extent of Repeal
<a href="#">1968 c. 3.</a>	The Capital Allowances Act 1968.	In section 15(4) (as inserted by paragraph 5(4) of Schedule 15 to the Income and Corporation Taxes Act 1970) the words from " for relief " to the end of the subsection.
<a href="#">1970 c. 9.</a>	The Taxes Management Act 1970.	In section 9(3), the words from the beginning to " partnership, but". In section 13(1), the words " in the prescribed form ". In section 118(2), the proviso.
<a href="#">1970 c. 10.</a>	The Income and Corporation Taxes Act 1970.	In section 25, the words " sections 5 to 19 and 22 of ". In section 26, the words " sections 5 to 19 and 22 of". In section 163(2) proviso, the words " in relation to disposals of assets after 5th April 1969 ". In subsections (2) and (3) of section 310, the words " to the satisfaction of the Board ". In section 311(1), the words " to the satisfaction of the Board " and " in the opinion of the Board ". In section 380(1), the words from " References in this subsection " to the end of the subsection. In section 515(5), the words from " and the reference " to the end of the subsection. In Schedule 14, paragraph 29. In Schedule 15, paragraph 13.