

SCHEDULES

SCHEDULE 1

Section 1(3).

WINE: RATES OF DUTY

Description of wine	Rates of duty per hectolitre
Wine of a strength—	£
not exceeding 15 per cent.	95.20
exceeding 15 but not exceeding 18 per cent.	122.90
exceeding 18 but not exceeding 22 per cent.	144.70
exceeding 22 per cent.	144.70 plus £13.60 for every 1 per cent, or part of 1 per cent, in excess of 22 per cent.; each of the above rates of duty being, in the case of sparkling wine, increased by £20.90 per hectolitre.

SCHEDULE 2

Section 1(4).

MADE-WINE: RATES OF DUTY

Description of made-wine	Rates of duty per hectolitre
Made-wine of a strength—	£
not exceeding 10 per cent.	61.80
exceeding 10 but not exceeding 15 per cent.	92.50
exceeding 15 but not exceeding 18 per cent.	113.90
exceeding 18 per cent.	113.90 plus £13.60 for every 1 per cent, or part of 1 per cent, in excess of 18 per cent.; each of the above rates of duty being, in the case of sparkling made-wine, increased by £9.60 per hectolitre.

Status: This is the original version (as it was originally enacted).

SCHEDULE 3

Section 7.

PROVISIONS SUBSTITUTED IN VEHICLES (EXCISE) ACT 1971

I

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 1

Description of vehicle	Rate of duty
1. Bicycles and tricycles of which the cylinder capacity of the engine does not exceed 150 cubic centimetres	7.00
2. Bicycles of which the cylinder capacity of the engine exceeds 150 cubic centimetres but does not exceed 250 cubic centimetres; tricycles (other than those in the foregoing paragraph) and vehicles (other than mowing machines) with more than three wheels, being tricycles and vehicles neither constructed nor adapted for use nor used for the carriage of a driver or passenger	14.00
3. Bicycles and tricycles not in the foregoing paragraphs	28.00

II

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 2

Description of vehicle	Rate of duty
Hackney carriages	35.00 with an additional 70p for each person above 20 (excluding the driver) for which the vehicle has seating capacity.

Status: This is the original version (as it was originally enacted).

III

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 3

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each ton or part of a ton in excess of the weight in column 2
			£	£
1. Agricultural machines; digging machines; mobile cranes; works trucks; mowing machines; fishermen's tractors.	—	—	12.00	—
2. Haulage vehicles, being showmen's vehicles.	—	7 ¼ tons	116.00	—
	7 ¼ tons	8 tons	139.00	—
	8 tons	10 tons	163.00	—
	10 tons	—	163.00	25.00
3. Haulage vehicles, not being showmen's vehicles.	—	2 tons	138.00	—
	2 tons	4 tons	248.00	—
	4 tons	6 tons	359.00	—
	6 tons	7 ¼ tons	469.00	—
	7 ¼ tons	8 tons	573.00	—
	8 tons	10 tons	573.00	97.00
	10 tons	—	766.00	110.00

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

IV

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 4

TABLES SHOWING ANNUAL RATES OF DUTY ON GOODS VEHICLES

TABLE A

GENERAL RATES OF DUTY

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each $\frac{1}{4}$ ton or part of a $\frac{1}{4}$ ton in excess of the weight in column 2
1. Farmer's goods vehicles	—	12 cwt.	£ 41.00	—
	12 cwt.	16 cwt.	44.00	—
	16 cwt.	1 ton	48.00	—
	1 ton	3 tons	48.00	6
	3 tons	5 tons	95.00	4
	5 tons	7 tons	130.00	3
	7 tons	9 tons	156.00	2
	9 tons	—	185.00	5
2. Showmen's goods vehicles ...	—	12 cwt.	£ 41.00	—
	12 cwt.	16 cwt.	44.00	—
	16 cwt.	1 ton	48.00	—
	1 ton	3 tons	48.00	6
	3 tons	5 tons	95.00	4
	5 tons	6 tons	130.00	3
	6 tons	9 tons	140.00	6
3. Tower wagons	—	12 cwt.	£ 55.00	—
	12 cwt.	16 cwt.	61.00	—
	16 cwt.	1 ton	69.00	—
	1 ton	4 tons	69.00	7
	4 tons	6 tons	153.00	8

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

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each $\frac{1}{4}$ ton or part of a $\frac{1}{4}$ ton in excess of the weight in column 2
4. Goods vehicles not included in any of the foregoing provisions of this Part of this Schedule.	6 tons	9 tons	217.00	7
	9 tons	—	315.00	12
	—	16 cwt.	70.00	—
	16 cwt.	1 ton	76.00	—
	1 ton	4 tons	76.00	20
	4 tons	9 tons	305.00	35
	9 tons	10 tons	1,081.00	38
	10 tons	—	1,230.00	45

TABLE B

RATES OF DUTY ON GOODS VEHICLES USED FOR DRAWING TRAILERS

1.	Weight unladen of vehicle		Rate of duty
	2.	3.	4.
Description of vehicle	Exceeding	Not exceeding	Rate of duty
1. Showmen's goods vehicles	—	—	£ 41.00
2. Other goods vehicles	—	1 $\frac{1}{2}$ tons	41.00
	1 $\frac{1}{2}$ tons	3 tons	55.00
	3 tons	4 tons	92.00
	4 tons	6 tons	124.00
	6 tons	9 tons	154.00
	9 tons	—	168.00

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

V

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 5

Description of vehicle	Rate of duty
	£
1. Vehicles not exceeding seven horse power, if registered under the Roads Act 1920 for the first time before 1st January 1947	50.00
2. Vehicles not included above	70.00

SCHEDULE 4

Section 8.

PROVISIONS SUBSTITUTED IN VEHICLES (EXCISE) ACT (NORTHERN IRELAND) 1972

I

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 1

Description of vehicle	Rate of duty
	£
1. Bicycles and tricycles of which the cylinder capacity of the engine does not exceed 150 cubic centimetres	7.00
2. Bicycles of which the cylinder capacity of the engine exceeds 150 cubic centimetres but does not exceed 250 cubic centimetres; tricycles (other than those in the foregoing paragraph) and vehicles (other than mowing machines) with more than three wheels, being tricycles and vehicles neither constructed nor adapted for use nor used for the carriage of a driver or passenger	14.00
3. Bicycles and tricycles not in the foregoing paragraphs	28.00

II

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 2

Description of vehicle	Rate of duty
	£

Description of vehicle	Rate of duty
Hackney carriages	35.00 with an additional 70p for each person above 20 (excluding the driver) for which the vehicle has seating capacity.

III

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 3

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each ton or part of a ton in excess of the weight in column 2
1. Agricultural machines; digging machines; mobile cranes; works trucks; mowing machines; fishermen's tractors. ,;	—	—	£ 12.00	£ —
2. Haulage vehicles, being showmen's vehicles.	—	7 ¼ tons	116.00	—
	7 ¼ tons	8 tons	139.00	—
	8 tons	10 tons	163.00	—
	10 tons	—	163.00	25.00
3. Haulage vehicles, not being showmen's vehicles.	—	2 tons	124.00	—
	2 tons	4 tons	221.00	—
	4 tons	6 tons	317.00	—
	6 tons	7 ¼ tons	414.00	—
	7 ¼ tons	8 tons	511.00	—
	8 tons	—	511.00	110.00

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

IV

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 4

TABLES SHOWING ANNUAL RATES OF DUTY ON GOODS VEHICLES

TABLE A

GENERAL RATES OF DUTY

1. Description of vehicle	Weight unladen of vehicle		Rate of duty	
	2. Exceeding	3. Not exceeding	4. Initial	5. Additional for each ¼ ton or part of a ¼ ton in excess of the weight in column 2
1. Farmers' goods vehicles	—	12 cwt.	£ 41.00	—
	12 cwt.	16 cwt.	44.00	—
	16 cwt.	1 ton	48.00	—
	1 ton	3 tons	48.00	6.00
	3 tons	6 tons	97.00	2.00
	6 tons	8 tons	127.00	100
	8 tons	9 tons	140.00	2.00
	9 tons	—	161.00	3.00
2. Showmen's goods vehicles; tower wagons.	—	12 cwt.	53.00	—
	12 cwt.	16 cwt.	55.00	—
	16 cwt.	1 ton	62.00	—
	1 ton	3 tons	64.00	3.00
	3 tons	6 tons	87.00	5.00
	6 tons	9 tons	142.00	6 00'
	9 tons	—	222.00	8 00-
3. Goods vehicles not included in any of the foregoing provisions of this Part.	—	16 cwt.	70.00	—
	16 cwt.	1 ton	76.00	—
	1 ton	3 tons	76.00	14.00
	3 tons	4 tons	187.00	22.00
	4 tons	6 tons	276.00	29.00
	6 tons	9 tons	508.00	33.00

1.	Weight unladen of vehicle		Rate of duty	
	2.	3.	4.	5.
Description of vehicle	Exceeding	Not exceeding	Initial	Additional for each $\frac{1}{4}$ ton or part of a $\frac{1}{4}$ ton in excess of the weight in column 2
	9 tons	—	974.00	40.00

TABLE B

RATES OF DUTY ON GOODS VEHICLES USED FOR DRAWING TRAILERS

1.	Weight unladen of vehicle		Rate of duty
	2.	3.	4.
Description of vehicle	Exceeding	Not exceeding	Rate of duty
			£
1. Showmen's goods vehicles	—	—	41.00
2. Other goods vehicles	—	1 $\frac{1}{2}$ tons	41.00
	1 $\frac{1}{2}$ tons	3 tons	55.00
	3 tons	4 tons	92.00
	4 tons	6 tons	124.00
	6 tons	9 tons	154.00
	9 tons	—	168.00

V

PROVISIONS SUBSTITUTED FOR PART II OF SCHEDULE 5

Description of vehicle	Rate of duty
	£
1. Vehicles first registered under the Roads Act 1920 before 1st January 1947, or which, if their first registration for taxation purposes had been effected in Northern Ireland would have been so first registered as aforesaid under the Act as in force in Northern Ireland:	
(i) not exceeding 6 horse power	42.00

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Description of vehicle	Rate of duty
(ii) exceeding 6 horse power but not exceeding 9 horse power—for each unit or part of a unit of horse power	7.00
2. Other vehicles	70.00

SCHEDULE 5

Section 9(7).

BETTING AND GAMING DUTIES : CONSOLIDATION AMENDMENTS

- 1 (1) At the beginning of sub-paragraph (1) of paragraph 3 of Schedule 2 to the Betting and Gaming Duties Act 1972 there shall be inserted the words " Subject to sub-paragraph (2A) below ".
- (2) For sub-paragraph (2) of that paragraph there shall be substituted—
- “(2) Subject to sub-paragraph (2A) below, a gaming licence shall be expressed to take effect—
- (a) on the first day of the period for which it is granted, or
- (b) on the fourteenth day after the date of the application, whichever is the later.
- (2A) Where a gaming licence would otherwise, by virtue of sub-paragraph (2b) above, be expressed to take effect on the fourteenth day after the date of the application, it may, if the Commissioners think fit, be expressed to take effect earlier than that day, but in no case earlier than the day following that date.”
- 2 In paragraph 14 of Schedule 2 and in paragraph 17 of Schedule 4 to that Act for the words from " proves " to " that the offence " there shall be substituted the words " proves that the offence " and the words "the contravention, or as the case may be" shall be omitted.
- 3 In paragraph 21 of Schedule 3 to that Act for the word " gaming " there shall be substituted the words " betting or gaming ".
- 4 (1) In paragraph 4(1) of Schedule 4 to that Act for the words " shall, in the case of a new licence," there shall be substituted the words " shall, subject to paragraph 5(1A) below, " and the words following the word " force " shall cease to have effect.
- (2) For sub-paragraph (1) of paragraph 5 of that Schedule there shall be substituted—
- “(1) Subject to sub-paragraph (1A) below, a licence shall be expressed to take effect—
- (a) on the first day of the period for which it is granted, or
- (b) on the fourteenth day after the date of the application, whichever is the later.
- (1A) Where a licence would otherwise, by virtue of sub-paragraph (1)(b) above, be expressed to take effect on the fourteenth day after the date of the application it may, if the Commissioners think fit, be expressed to take

effect earlier than that day, but in no case earlier than the day following that date.”

- 5 The maximum penalty which may be imposed on summary conviction in Scotland for an offence under paragraph 15(1)(d) or (c) or 16(1) of Schedule 1, paragraph 13(1)(c) or (d) of Schedule 2 or paragraph 17(1) or (2) of Schedule 3 to that Act shall be the same as the maximum penalty which may be imposed on summary conviction in England or Wales for such an offence.
- 6 Sections 6 and 7(1) of and Schedule 5 and Part I of Schedule 6 to the Finance Act 1980 shall be construed as one with the Customs and Excise Management Act 1979.

SCHEDULE 6

Section 10(1).

IMPORT PROCEDURES : AMENDMENTS OF CUSTOMS AND EXCISE MANAGEMENT ACT 1979

Entry of goods on importation

- 1 (1) Section 37 shall be amended as follows.
- (2) In subsection (1) for the words " and containing such particulars " there shall be substituted the words " , containing such particulars and accompanied by such documents ".
- (3) In subsection (3)(a) after the words " for home use " there shall be inserted the words " or for free circulation ".
- (4) Subsection (5)(a) shall be omitted.
- (5) For subsections (6) and (7) there shall be substituted—
- “(6) Except with the permission of the Commissioners no entry shall be delivered before the goods have been presented at the proper office of customs and excise.
- (7) Where the Commissioners permit an entry to be delivered before presentation of the goods, the goods must be presented at the proper office of customs and excise within such time at the Commissioners may allow; and if the goods are not to presented the entry shall be treated as not having been delivered.
- (8) Goods shall be treated as presented at the proper office of customs and excise if notice is given, in such form and manner as the Commissioners may direct, to the proper officer of the arrival of the goods at that office or at such other place as may be specified by directions given by the Commissioners.
- (9) Acceptance of an entry by the proper officer shall be signified in such manner as the Commissioners may direct.”

Acceptance of incomplete entry

- 2 For section 38 (entry by bill of sight) there shall be substituted—

“38 Acceptance of incomplete entry.

- (1) The proper officer may, if he thinks fit, accept an entry which does not in every respect comply with section 37 above.
- (2) Where an entry is accepted under this section the importer shall, within such time as the Commissioners may allow, deliver to the proper officer such of the particulars or documents as were required to be, but were not, contained in or delivered with the entry or, if the proper officer so permits, deliver to him a substituted entry complying in all respects with section 37 above.”

Examination of goods for purpose of making entry

3 After section 38 there shall be inserted—

“38A Examination of goods for purpose of making entry.

- (1) For the purpose of enabling entry to be made of any goods which are in customs and excise charge the proper officer shall, on the application of the importer, allow the examination of the goods and the taking of samples of the goods.
- (2) Any such application shall be made in such form and manner and contain such particulars as the Commissioners may direct.
- (3) Any examination or taking of samples under this section shall be carried out in accordance with such directions as may be given by the Commissioners and shall be at the risk and at the expense of the importer.”

Correction and cancellation of entry

4 After the section inserted by paragraph 3 above there shall be inserted—

“38B Correction and cancellation of entry.

- (1) Where goods have been entered for home use or for free circulation the importer may correct any of the particulars contained in an entry of the goods after it has been accepted if—
 - (a) the goods have not been cleared from customs and excise charge;
 - (b) he has not been notified by an officer that the goods are to be examined ; and
 - (c) the entry has not been found by an officer to be incorrect.
- (2) The proper officer may permit or require any correction allowed by subsection (1) above to be made by the delivery of a substituted entry.
- (3) An entry of goods may at the request of the importer be cancelled at any time before the goods are cleared from customs and excise charge if the importer proves to the satisfaction of the Commissioners that the entry was delivered by mistake or that the goods cannot be cleared for free circulation.”

Removal of uncleared goods

- 5 In section 40(1) for paragraph (b) there shall be substituted—
- “(b) at the expiration of 21 clear days from the date when they were presented at the proper office of customs and excise they have not been produced for examination and clearance and the failure to produce them is attributable to an act or omission for which the importer is responsible ; or”.

Failure to comply with provisions as to entry

- 6 At the end of section 41 there shall be inserted the words “but this section shall not apply to—
- (a) any failure which has been or may be remedied by virtue of section 38B(1); or
- (b) any failure in respect of an entry which by virtue of section 38(B) (3) has been or may be cancelled at his request.”

Duties on imported goods

- 7 (1) Section 43 shall be amended as follows.
- (2) For subsection (2)(a) (time for determining duty where entry is made) there shall be substituted—
- “(a) if entry is made thereof, except where the entry is for warehousing, or if they are declared under section 78 below, shall be those in force with respect to such goods at the time when the entry is accepted or the declaration is made ;”.
- (3) For subsection (2)(c) (time for determining duty where no entry is made) there shall be substituted—
- “(c) if no entry is made thereof and the goods are not declared under section 78 below shall be those in force with respect to such goods at the time of their importation.”
- (4) After subsection (5) there shall be inserted—
- “(6) Where entry of goods is made otherwise than for warehousing and there is a reduction in the rate of duty of customs or excise chargeable on the goods between—
- (a) the time mentioned in subsection (2)(a) above ; and
- (b) the time when the goods are cleared from customs and excise charge, the rate of the duty chargeable on the goods shall, if the importer so requests, be that in force at the time mentioned in paragraph (b) above unless clearance of the goods has been delayed by reason of any act or omission for which the importer is responsible.
- (7) Notwithstanding section 6(5) of the European Communities Act 1972 " duty of customs " in subsection (6) above does not include any agricultural levy.
- (8) Where samples are taken of goods under section 38A above and the quantity of the goods covered by the entry which is subsequently delivered does not include the samples the duties of customs and the rates of those duties chargeable on the samples shall be those in force at the time when the

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application under subsection (1) of that section was made and shall be determined by reference to the particulars contained in the application.

(9) Where a substituted entry is delivered under section 38(2) or 38B(2) above the entry referred to in subsection (2)(a) above is the original entry.”

Delivery of imported goods on giving security for duty

8 In section 119(1) after the words " for home use " there shall be inserted the words " or for free circulation ".

Restriction on delivery of goods

9 In section 128(1) and (2) (power to restrict delivery of goods chargeable with duty of customs or excise) the words "customs or " shall be omitted.

SCHEDULE 7

Section 10(2).

EXPORT PROCEDURES

PART I

SECTIONS SUBSTITUTED IN CUSTOMS AND EXCISE MANAGEMENT ACT 1979

“53 Entry outwards of goods.

- (1) Subject to the provisions of this Part of this Act, before any goods other than Community transit goods are exported or shipped as stores for use on a voyage or flight to an eventual destination outside the United Kingdom and the Isle of Man there shall be delivered by the exporter to the proper officer an entry outwards of the goods in such form and manner, containing such particulars and accompanied by such documents as the Commissioners may direct
- (2) Except with the permission of the Commissioners no entry shall be delivered before the goods have been presented to the proper officer.
- (3) Where the Commissioners permit an entry to be delivered before presentation of the goods, the goods must be presented to the proper officer within such time as the Commissioners may allow; and if the goods are not so presented the entry shall be treated as not having been delivered.
- (4) Goods may be treated as presented to the proper officer if notice is given, in such form and manner as the Commissioners may direct, to the proper officer of the presence of the goods at a place designated by him.
- (5) An entry in respect of dutiable or restricted goods shall not be accepted unless security is given to the satisfaction of the Commissioners that the goods will, within such time as the Commissioners think reasonable, be exported and discharged at the destination for which they are entered or which is otherwise specified by the exporter or, in the case of goods for use as stores, that they will be duly so used or otherwise accounted for to the satisfaction of the Commissioners.

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- (6) Acceptance of an entry by the proper officer shall be signified in such manner as the Commissioners may direct; and once acceptance of an entry in respect of any goods has been signified, the goods shall not be removed from the place where they were at the time of acceptance without the permission of the proper officer.
- (7) The Commissioners may relax all or any of the requirements imposed by this section as they think fit in relation to any goods and, if they do so, may impose substituted requirements.
- (8) If any dutiable or restricted goods of which entry is required under this section are shipped for exportation or as stores or are waterborne for such shipment before entry has been delivered and accepted, the goods shall be liable to forfeiture and where the shipping or making waterborne is done with fraudulent intent any person concerned therein with knowledge of that intent shall be guilty of an offence under this subsection and may be detained.
- (9) A person guilty of an offence under subsection (8) above shall be liable—
 - (a) on summary conviction, to a penalty of the prescribed sum or of three times the value of the goods, whichever is the greater, or to imprisonment for a term not exceeding six months, or to both; or
 - (b) on conviction on indictment, to a penalty of any amount, or to imprisonment for a term not exceeding two years or to both.
- (10) If any goods which are not dutiable or restricted goods and of which entry is required under this section are exported or shipped for exportation or as stores before entry has been delivered and accepted, the exporter shall be liable on summary conviction to a penalty of £500.
- (11) Any person who removes any goods in contravention of subsection (6) above or contravenes or fails to comply with any requirement imposed under subsection (7) above shall be liable on summary conviction to a penalty of £500.
- (12) If any dutiable or restricted goods are found not to correspond with any entry in respect of them delivered under this section, they shall be liable to forfeiture.

54 Acceptance of incomplete entry.

- (1) The proper officer may, if he thinks fit, accept an entry which does not in every respect comply with section 53 above, but he shall not do so in a case in which the goods have not been presented.
- (2) Where an entry is accepted under this section the exporter shall, within such time as the Commissioners may allow, deliver to the proper officer such of the particulars or documents as were required to be, but were not, contained in or delivered with the entry or, if the proper officer so permits, deliver to him a substituted entry complying in all respects with section 53 above.
- (3) If any person fails to comply with subsection (2) above he shall be liable on summary conviction to a penalty of £500.

55 Correction and cancellation of entry.

- (1) The exporter may correct any of the particulars contained in an entry of goods under section 53 above after it has been accepted if—

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- (a) the appropriate authority has not been given for the removal of the goods; and
 - (b) the exporter has not been notified by an officer that the goods are to be examined; and
 - (c) the entry has not been found by an officer to be incorrect;
- and in paragraph (a) above " the appropriate authority " means—
- (i) in the case of goods which have been presented to the proper officer at a place approved by the Commissioners under section 31(1)(b) above or at a place designated by the proper officer under section 53 above, any authority to remove the goods from the place where they were presented to the proper officer which is required under section 31 above or permission under section 53(6) above, and
 - (ii) in any other case, the authority to load the goods which is required under section 57(4) or section 66 below.
- (2) Particulars in an entry may be corrected after the giving of such authority as is mentioned in subsection (1)(a) above if they relate to a matter which can be established in the absence of the goods.
- (3) The proper officer may permit or require any correction allowed by subsection (1) above to be made by the delivery of a substituted entry.
- (4) Subject to subsection (5) below, an entry which has been accepted may be cancelled at the request of the exporter if he delivers to the proper officer all copies of the entry and such other documents delivered to him on or in connection with the entry as the Commissioners may require and shows to the satisfaction of the Commissioners that—
- (a) the goods are in the United Kingdom and the arrangements for exporting them have been cancelled; and
 - (b) any payment to which he is entitled from the Commissioners or under a Community instrument by virtue of exporting the goods has been repaid or will not be paid.
- (5) An entry shall not be cancelled under subsection (4) above—
- (a) in a case where the exporter is informed by an officer that the goods are to be examined, until the examination has taken place ; and
 - (b) until the exporter has complied with any requirements imposed by the Commissioners as to the movement of the goods in respect of which the entry was made to such places as they may specify.
- (6) Where an entry in respect of goods which are not dutiable or restricted goods is cancelled under subsection (4) above, the exporter shall within such period as may be specified by directions given by the Commissioners furnish them with such information and such documents relating to the goods as may be specified in the directions.
- (7) Any person who contravenes or fails to comply with subsection (6) above shall be liable on summary conviction to a penalty of £500.

56 Failure to export.

- (1) Where any goods in respect of which an entry has been accepted have not been shipped or exported by land, an officer may by notice given to the exporter require the goods to be exported within such time as is specified in the notice ; and if the notice is not complied with the entry shall be treated as cancelled.

- (2) Where, in the case of any such goods as are mentioned in subsection (1) above which are due to be loaded into a ship or aircraft specified in the entry or by the person having charge of them at the port or customs and excise airport of intended shipment, no notice has been served under that subsection and the goods have not been shipped by the time the ship or aircraft departs from the port or airport at which it has been cleared by the proper officer, then—
 - (a) the entry shall be treated as cancelled at that time ; and
 - (b) if the goods are dutiable or restricted goods, they shall be liable to forfeiture unless notice of the failure to export them is given to the proper officer immediately after that time.
- (3) Where an entry in respect of dutiable or restricted goods is treated as cancelled by virtue of this section—
 - (a) if the exporter would have been entitled to a payment of any sum from the Commissioners or under a Community instrument by virtue of exporting the goods, he shall take such steps as the Commissioners may direct to ensure that the sum is not paid to him or, if it has already been paid, he shall (unless the Commissioners agree to his retaining it) repay it within seven days or such longer period as the Commissioners may allow;
 - (b) the exporter shall within such period as may be specified by directions given by the Commissioners furnish them with such information and such documents as may be specified in the directions; and
 - (c) if the goods have not been forfeited under subsection (2) above, they shall be warehoused or, if the Commissioners so require, shall be moved to such place as the Commissioners may specify.
- (4) Where an entry in respect of goods which are not dutiable or restricted goods is treated as cancelled by virtue of this section, the exporter shall within such period as may be specified by directions given by the Commissioners furnish them with such information and such documents relating to the goods as may be specified in the directions.
- (5) Any person who contravenes or fails to comply with subsection (3) above shall be liable on summary conviction to a penalty of £1,000 and the goods shall be liable to forfeiture.
- (6) Any person who contravenes or fails to comply with subsection (4) above shall be liable on summary conviction to a penalty of £500.

57 Delivery of entry by owner of exporting ship etc.

- (1) The Commissioners may direct that any entry required to be delivered under section 53 above in respect of any goods which are to be shipped or exported in a ship or aircraft and the documents which are required to accompany it shall, instead of being delivered by the exporter be delivered by the loader (that is to say the owner of the ship or aircraft or a person appointed by him) and such delivery shall be treated as delivery by the exporter for the purposes of this Part of this Act.
- (2) The proper officer shall not accept an entry which is delivered in pursuance of subsection (1) above unless the goods in respect of which the entry is made are under the control of the loader at the time of the delivery.
- (3) Directions under this section may impose on the loader requirements as to—
 - (a) the place, time and manner in which entries and any documents required by virtue of section 31 above are to be delivered ;

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- (b) the production to the proper officer of such documents as may be specified in the directions; and
 - (c) the information to be supplied to the proper officer and the form and manner in which the information is to be supplied.
- (4) Directions under this section may also require that the goods in respect of which the entry is to be made shall not be loaded into the ship or aircraft in which they are to be exported without the authority of the proper officer.
- (5) Directions under this section may authorise an officer to relax all or any of the requirements imposed by the directions and, if he does so, to impose substituted requirements.
- (6) If a person without reasonable excuse fails to comply with any requirement imposed on him under this section he shall be liable on summary conviction to a penalty of £500 or in the case of a failure to comply with a requirement imposed by virtue of subsection (4) above to a penalty of £1,000.
- (7) For the purposes of this section a ship subject to charter by demise shall be treated as owned by the charterer.

58 Simplified clearance procedure.

- (1) If the Commissioners think fit so to direct, goods which are not dutiable or restricted goods may be shipped for exportation without entry under section 53 above if—
- (a) the exporter is registered in a register of exporters maintained by the Commissioners for the purposes of this section ; and
 - (b) before the goods are shipped the conditions mentioned in subsection (3) below are satisfied.
- (2) The Commissioners may for the purposes of this section—
- (a) enter in a register maintained by them any person applying for registration and appearing to them to be concerned in the exportation of goods and to satisfy such requirements for registration as they may think fit to impose ;
 - (b) give directions imposing requirements on registered persons including, in particular, requirements as to the keeping of records and accounts and the giving of access to them ;
 - (c) assign to registered persons numbers for use under this section ; and
 - (d) suspend or cancel the registration of any person if it appears to them that he has failed to comply with any direction under this section or with section 58B(1) or (2) below or that there is other reasonable cause for suspension or cancellation.
- (3) The conditions referred to in subsection (1) above are—
- (a) that the goods are presented to the proper officer;
 - (b) that the exporter delivers to the proper officer and the proper officer accepts such document relating to the goods as the directions may require bearing an endorsement which contains a number assigned to the exporter under this section ; and
 - (c) that the exporter complies with such other requirements as the directions may impose ;

and goods may be treated as presented to the proper officer if notice is given, in such form and manner as the Commissioners may direct, to the proper officer of the presence of the goods at a place designated by him.

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- (4) The document referred to in subsection (3)(b) above shall be delivered in such manner as the directions may require and acceptance of that document by the proper officer shall be signified in such manner as the Commissioners may direct; and once acceptance of a document relating to any goods has been signified, the goods shall not be removed from the place they were at the time of acceptance without the permission of the proper officer.
- (5) Directions under this section may contain provision enabling the Commissioners to exclude shipments of goods from their operation in such cases as the Commissioners think fit by giving notice to that effect in accordance with the directions.
- (6) The Commissioners may relax any requirement imposed under this section as they think fit in relation to any goods and, if they do so, may impose substituted requirements.
- (7) Sections 55 and 57 above and section 58D(3) below shall apply in relation to a document required to be delivered under subsection (3)(b) above as they apply in relation to an entry and section 56 above shall apply in relation to goods in respect of which such a document has been accepted under that subsection as it applies to goods in respect of which an entry has been accepted.

58A Local export control.

- (1) If the Commissioners think fit so to direct, goods may be shipped for exportation or exported by land without entry under section 53 above if—
 - (a) the exporter is registered in a register maintained by the Commissioners for the purposes of this section; and
 - (b) the conditions mentioned in subsection (3) below are satisfied.
- (2) The Commissioners may for the purposes of this section—
 - (a) maintain a register of exporters whose premises are approved by the Commissioners under section 31 above for the examination of goods intended for export;
 - (b) enter in the register any such persons applying for registration who satisfy such requirements for registration as the Commissioners may think fit to impose ;
 - (c) give directions imposing requirements on registered persons including, in particular, requirements as to the keeping of records and accounts and the giving of access to them ;
 - (d) assign to registered persons numbers for use under this section; and
 - (e) suspend or cancel the registration of any person if it appears to them that he has failed to comply with any direction under this section or with section 58B(1) or (2) below or that there is other reasonable cause for suspension or cancellation.
- (3) The conditions referred to in subsection (1) above are—
 - (a) that before the goods are removed from the approved premises—
 - (i) the exporter delivers to the proper officer, at such time and place as he may require, a notice of the intention to remove the goods, being a notice in such form and containing such particulars as may be required by the directions; and
 - (ii) on such day as the proper officer may appoint (not being earlier than the day that notice is delivered or later than the day the goods are removed) the exporter enters such particulars of the goods and of such other

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- matters as may be required by the directions in a record maintained by him at such place as the proper officer may require ; and
- (b) that before the goods are shipped, the exporter delivers to the proper officer such document relating to the goods as the directions may require bearing an endorsement which contains a number assigned to the exporter under this section and complies with such other requirements as the directions may impose.
- (4) The directions may impose requirements as to—
- (a) the manner in which the notice referred to in paragraph (a)(i) of subsection (3) above shall be delivered and the form it should take ;
- (b) the manner and form in which the record referred to in paragraph (a)(ii) of that subsection should be maintained; and
- (c) the place at which and the manner in which the document referred to in paragraph (b) of that subsection should be delivered ;
- and the conditions mentioned in that subsection shall not be treated as satisfied unless any requirements which are so imposed are complied with.
- (5) The Commissioners may, in addition to any exporter within subsection (2)(a) above, enter in the register any person who applies to them to be registered and satisfies them—
- (a) that the exporter is a company under the applicant's control; or
- (b) that the exporter has agreed to the registration of the applicant in addition to the exporter.
- (6) Where in pursuance of subsection (5) above both an exporter and another person are registered—
- (a) the proper officer shall direct which of them shall do the things mentioned in subsection (3) above and section 58B(1) below ; and
- (b) the registration of both of them may be cancelled or suspended under subsection (2)(e) above if it appears to the Commissioners that either of them has failed as mentioned in that subsection.
- (7) The Commissioners may relax any requirement imposed under this section as they think fit in relation to any goods and, if they do so, may impose substituted requirements.
- (8) Section 56 above shall apply in relation to goods in respect of which particulars have been entered in a record under subsection (3)(a) above as it applies in relation to goods in respect of which an entry has been accepted.

58B Provisions supplementary to ss. 58 and 58A.

- (1) Where by virtue of section 58 or 58A above goods have been shipped for exportation or exported by land without entry under section 53 above, the exporter shall deliver to the proper officer a specification of the goods containing, as the Commissioners may direct, either the particulars that would have been required to be contained in the entry or such other particulars as may be so directed.
- (2) The specification referred to in subsection (1) above may, if the Commissioners permit, be a single specification relating to the goods exported during a particular period and shall be delivered at such place and in such manner and by such time as the Commissioners may allow.
- (3) If any person fails to deliver a specification in accordance with the foregoing provisions of this section or delivers a specification which is incorrect and does not correct it within

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a period of fourteen days following delivery, he shall be liable on summary conviction to a penalty of £500.

- (4) In connection with any arrangements approved by the Commissioners for recording particulars of exported goods by computer they may relax the requirements of subsections (1) and (2) above 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;
- but subject to such other conditions as they may impose.
- (5) If any person without reasonable excuse fails to comply with a requirement imposed on him by or under section 58 or 58A above he shall be liable on summary conviction to a penalty of £500.
- (6) If any person for the purpose of enabling goods to be shipped in accordance with either of those sections furnishes any document bearing a number assigned under that section which is not one for the time being assigned to him or to another person who has consented to his furnishing the document bearing that number, he shall be liable on summary conviction to a penalty of £500.
- (7) In sections 58 and 58A above references to a person registered under either of those sections do not include references to a person whose registration is for the time being suspended; and for the purposes of subsection (6) above a person whose registration is for the time being suspended shall be regarded as not having any number assigned to him.

58C Pipe-lines and export of ships and aircraft.

- (1) For the purposes of this Part of this Act goods which are to be exported by means of a pipe-line shall be treated as having been presented to the proper officer when notice of the goods to be exported has been given to the proper officer and accepted by him.
- (2) Notice under subsection (1) above shall be given by such person and in such form and manner and shall contain such particulars as the Commissioners may direct.
- (3) A ship or aircraft departing from the United Kingdom which—
- (a) is within the definition of dutiable or restricted goods in section 52 above ; or
 - (b) is a ship built, or aircraft manufactured, in the United Kingdom departing for the first time for a voyage or flight to a place outside the United Kingdom for the purpose of its delivery to a consignee outside the United Kingdom,
- shall be treated for the purposes of this Part of this Act both as goods shipped for exportation and as the exporting ship or aircraft and, in the case of a ship or aircraft within paragraph (b) above, the owner of the ship or aircraft or, where the owner is outside the United Kingdom, the builder of the ship or the manufacturer of the aircraft shall be deemed to be the exporter.

58D Operative date for Community purposes.

- (1) Except as provided by any Community regulation or other instrument having the force of law and subject to subsection (3) below; the operative date for determining whether

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any, and if so what, levy or other charge provided for under any Community provision governing the exportation of goods is due in respect of the goods and for applying any other such provision including, in particular, any provision whereby any refund or relief is due in respect of the goods shall be such date as is mentioned in subsection (2) below.

- (2) The date referred to in subsection (1) above is—
- (a) in a case where an entry or a document such as is mentioned in section 58(3) (Z») above is delivered, the date of acceptance of the entry or document;
 - (b) in the case of goods particulars of which are entered in a record in accordance with section 58A(3)(a)(ii) above, the day appointed for that entry;
 - (c) in the case of goods in relation to which substituted requirements are imposed under section 53(7) or 58(6) above, such date as the Commissioners may specify;
 - (d) in any other case, the date on which the goods are shipped or exported by land or, if that date cannot be established to the Commissioners' satisfaction, such date as they may specify.
- (3) At the time when the proper officer accepts an entry delivered in pursuance of section 57(1) above he may direct that the operative date for the purposes of this section shall be the date on which the entry was furnished by the exporter to the loader.
- (4) Where a substituted entry is delivered under section 54(2) or 55(3) above the entry referred to in subsections (2)(a) and (3) above is the original entry.

58E Authentication of Community customs documents.

- (1) In such cases as the Commissioners may direct, an officer shall not authenticate any (immunity customs document unless—
- (a) there is presented with the document—
 - (i) an entry relating to the goods in question and complying with section 53 above ; or
 - (ii) a document relating to the goods and complying with section 58(3)(a) above; or
 - (iii) a document to be used instead of an entry or such a document as aforesaid by virtue of substituted requirements imposed under section 53(7) or 58(6) above; and
 - (b) the officer marks the Community customs document and the entry or other document referred to in paragraph (a) above with a registration number allocated by the Commissioners for that purpose.
- (2) Subject to subsections (3) and (4) below, a person who has obtained an authenticated Community customs document in respect of any goods shall surrender it at the office at which it was obtained, together with the entry or other document marked under subsection (1)(b) above (" the marked export document"), unless—
- (a) the goods are shipped, or cleared by the proper officer for export by land, before the end of such period as may be specified by directions given by the Commissioners ; and
 - (b) the marked export document is delivered to the proper officer as required by or under the provisions mentioned in subsection (1)(fl) above.
- (3) The proper officer may, on an application made to him before the end of the period mentioned in subsection (2) above, permit the retention of the authenticated Community customs document and the marked export document.

- (4) The proper officer may at any time require a person who has obtained an authenticated Community customs document in respect of any goods to surrender to him that document and the marked export document.
- (5) If a person without reasonable excuse fails to comply with subsection (2) above he shall be liable on summary conviction to a penalty of £500; and if a person without reasonable excuse fails to comply with a requirement imposed under subsection (4) above he shall be liable on summary conviction to a penalty of £1000.
- (6) In this section " Community customs document" means a document which in accordance with any Community instrument or any agreement permitted under such an instrument or in accordance with any arrangements made between the Commissioners and any other customs authority—
- (a) is used to indicate whether or not the goods are Community goods or are subject to duty at a preferential rate in any country with which the Community has an agreement of association; and
 - (b) is required to be authenticated by the customs authorities of the member State from which they are exported.
- (7) In subsection (6) above " Community goods" means—
- (a) goods which satisfy the conditions laid down in Articles 9 and 10 of the E.E.C. Treaty; and
 - (b) goods to which the E.C.S.C. Treaty applies and which under the terms of that Treaty are in free circulation within the European Coal and Steel Community."

PART II

AMENDMENTS OF CUSTOMS AND EXCISE MANAGEMENT ACT 1979

Control of movement of goods

- 1 (1) Section 31 shall be amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (a) after the words " such goods " there shall be inserted the words " or the place of exportation of such goods "; and
 - (b) in paragraph (b) after the words " such goods " there shall be inserted the words " , or a place designated by the proper officer under section 53(4) or 58(3) below, ".
- (3) After subsection (2) there shall be inserted—
- “(2A) Any documents required to be made or produced as a result of regulations made under subsection (1) above shall be made or produced in such form and manner and contain such particulars as the Commissioners may direct; but the Commissioners may relax any requirement imposed under the regulations that any specific document be made or produced and if they do so may impose substituted requirements.”
- (4) In subsection (3) after the words " such regulation " there shall be inserted the words " or a direction made under subsection (2A) above or any requirement imposed under that subsection ".

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" Dutiable or restricted goods "

- 2 (1) Section 52 shall be amended as follows.
- (2) After paragraph 00 there shall be inserted—
- “(g) goods incorporating or resulting from the use of inward processing goods or any goods which, following a determination by the Commissioners, are to be treated for customs purposes as inward processing goods in substitution for such goods.”.
- (3) The provisions of that section as amended by sub-paragraph (2) above shall become subsection (1) and after that subsection there shall be inserted—
- “(2) In this section "inward processing goods" means goods imported for the purpose of being worked on, processed or used in any process or repaired and on the importation of which relief from import duty or agricultural levy was given on condition that goods incorporating or resulting from the use of them would be exported outside the Community ; and in this subsection " agricultural levy" means any tax or charge, not being a customs duty, provided for under the common agricultural policy or under any special arrangements which, pursuant to Article 235 of the E.E.C. Treaty are applicable to goods resulting from the processing of agricultural products.”

Restrictions on putting export goods alongside for loading

- 3 In section 59(1) for the words " whether under section 53 or section 54 above" there shall be substituted the words " under section 53 above ".

Provisions as to stores

- 4 (1) Section 61 shall be amended as follows.
- (2) In subsection (2) (right to ship stores in ship of not less than 40 tons register or aircraft departing for a voyage or flight to some place outside the United Kingdom) for the words "to some place outside the United Kingdom" there shall be substituted the words " to a country outside the United Kingdom ".
- (3) In subsection (3) (power of Commissioners to permit stores to be shipped in ship of less than 40 tons register which is departing for a place or area outside the United Kingdom) for the words from " any ship " onwards there shall be substituted the words—
- “(a) any ship departing from the United Kingdom, being either a ship of not less than 40 tons register departing for a voyage not falling within subsection (2) above or a ship of less than 40 tons register; or
- (b) any aircraft departing from the United Kingdom for a flight not falling within that subsection.”
- (4) For subsection (9) there shall be substituted—
- “(9) References in this section to a country or destination outside the United Kingdom do not include references to, or to a destination in, the Isle of Man; and subsection (5) above applies whether the goods were shipped in the United Kingdom or the Isle of Man.”

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Power to make regulations as to exportation, etc.

- 5 In section 66(2) for the words " a penalty of £100 " there shall be substituted the words " a penalty of £500, or in the case of a contravention of or a failure to comply with a regulation made under subsection (i)(b) above a penalty of £1,000, " .

SCHEDULE 8

Section 11(1).

MISCELLANEOUS CUSTOMS AND EXCISE AMENDMENTS

PART I

AMENDMENTS OF CUSTOMS AND EXCISE MANAGEMENT ACT 1979

Definition of " revenue trader "

- 1 (1) In the definition of "revenue trader" in subsection (1) of section 1—
- (a) after the word " means " there shall be inserted " (a) "; and
 - (b) for the words " and includes a registered club " there shall be substituted the words “; and
 - (b) any person who is a wholesaler or an occupier of an excise warehouse (so far as not included in paragraph (a) above),
- and includes a registered club”.
- (2) In the Table in subsection (3) of that section the word " " wholesaler " shall be inserted after the word " ' spirits ' " .

Warehousing regulations

- 2 In section 93—
- (a) in paragraph (a) of subsection (2) after the words " deposited in " there shall be inserted the words " secured in ";
 - (b) after paragraph (f) of that subsection there shall be inserted—
 - “(g) imposing or providing for the imposition under the regulations of requirements on the occupier of a warehouse or the proprietor of goods in a warehouse to keep and preserve records relating to his business as such an occupier or proprietor and to produce them to an officer when required to do so for the purpose of allowing him to inspect them, to copy or take extracts from them or to remove them at a reasonable time and for a reasonable period”;
 - (c) after subsection (2) there shall be inserted—
 - “(2A) Where any documents removed under the powers conferred by subsection (2)(g) above are lost or damaged the Commissioners shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.”; and

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- (d) in subsection (6)—
- (i) for the words "or restriction" there shall be substituted the words "restriction or requirement"; and
 - (ii) for "£100" there shall be substituted "£200 together with a penalty of £20 for each day on which the failure continues".

Deficiency in warehoused goods

3 Section 94(2) shall cease to have effect.

Procedure on warehouse ceasing to be approved

4 In section 98—

- (a) at the end of subsection (1) there shall be inserted the words "and, unless the notice has been withdrawn or extended, the warehouse shall cease to be approved on that date"; and
- (b) for subsection (3) there shall be substituted—

“(3) If after the date on which the warehouse ceases to be approved any goods not duly cleared still remain in the former warehouse—

- (a) they may be taken by an officer to a Queen's warehouse and, without prejudice to section 99(3) below, if they are not cleared from it within one month may be sold; or
- (b) if the Commissioners so allow, they may remain in the former warehouse and if they are not cleared from it within one month may be sold.

(3A) Where in accordance with paragraph (b) above goods remain in the warehouse after the revocation or expiry of the Commissioners' approval—

- (a) subsections (6) and (7) of section 99 below shall apply to them as if they were deposited in a Queen's warehouse under the Customs and Excise Acts 1979; and
- (b) sections 93, 94, 95 and 97 above and section 100 below shall apply and any security given by bond or otherwise and any condition imposed by or under the customs and excise Acts shall continue to have effect, as if the former warehouse were still a warehouse.”

Excise licences

5 Sections 105 and 106 shall cease to have effect.

Powers of entry on premises of revenue traders

6 In section 112—

- (a) in subsection (1) after the word "machinery" there shall be inserted the word "vehicles"; and
- (b) in subsection (3) for the words "or maker of cider" there shall be substituted the words ", maker of cider or occupier of an excise warehouse".

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Power to estimate excise duties

7 After section 116 there shall be inserted—

“116A Power to estimate excise duties.

- (1) Where an amount is due on account of any excise duty but the Commissioners are unable to ascertain the amount of the duty properly due because—
 - (a) returns, accounts, records or other documents have not been made, kept, preserved or produced by the occupier of an excise warehouse or a distiller as required by or under the provisions of the customs and excise Acts ; or
 - (b) it appears to the Commissioners that any returns, accounts, records or other documents so made, kept, preserved or produced are incomplete or incorrect,they may estimate the amount due.
- (2) Without prejudice to the recovery of the full amount due or to the making of a further estimate, the amount estimated shall be recoverable as duty properly due unless in any action relating thereto the person liable proves the amount properly due and that amount is less than the amount estimated.”.

Execution and distress

8 After subsection (7) of section 117 there shall be inserted—

- “(7A) Where distress is levied under this section for any amount estimated under section 116A above and it is afterwards proved that the amount properly due was less than the amount estimated, that shall not affect the legality of the distress or anything done under this section in connection therewith, but the proceeds of sale shall be applied under subsection (7) above in accordance with the amount properly due and not in accordance with the amount estimated”.

Proof of documents

9 In section 153 after subsection (3) there shall be inserted—

- “(4) A photograph of any document delivered to the Commissioners for any customs or excise purpose and certified by them to be such a photograph shall be admissible in any proceedings, whether civil or criminal, to the same extent as the document itself.”

PART II

AMENDMENTS OF ALCOHOLIC LIQUOR DUTIES ACT 1979

Ascertainment of volume etc. of alcoholic liquors from labels etc.

10 After subsection (3) of section 2 there shall be inserted—

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“(3A) Without prejudice to the generality of subsection (3) above, regulations under that subsection may provide that for the purpose of charging duty on any spirits, wine or made-wine contained in any bottle or other container, the strength, weight or volume of the spirits, wine or made-wine may be ascertained by reference to any information given on the bottle or other container by means of a label or otherwise or to any documents relating to the bottle or other container.”.

Definitions of "wholesale " and "wholesaler "

11 For the definitions of "wholesale" and "wholesaler" in section 4(1) there shall be substituted—

“" wholesale ", in relation to dealing in dutiable alcoholic liquor, means the sale at any one time to any one person of quantities not less than the following, namely—

- (a) in the case of spirits, wine or made-wine, 9 litres or 1 case ; or
- (b) in the case of beer or cider, 20 litres or 2 cases;

" wholesaler " means a person who deals wholesale in dutiable alcoholic liquor;”.

Regulations about manufacture of spirits

12 In section 13—

(a) after subsection (1) there shall be inserted—

“(1A) Without prejudice to the generality of subsection (1) above, regulations under that subsection may—

- (a) provide for the imposition under the regulations of conditions and restrictions relating to the matters mentioned in that subsection ; and
- (b) impose or provide for the imposition of requirements on a manufacturer of spirits to keep and preserve records relating to his business as such a manufacturer and to produce them to an officer when required to do so for the purpose of allowing him to inspect them, to copy or take extracts from them or to remove them at a reasonable time and for a reasonable period.

(1B) Where any documents removed under the powers conferred by subsection (1A)(a) above are lost or damaged the Commissioners shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.”;

- (b) in subsection (3) after the words " subsection (1) above " there shall be inserted the words " or with any condition, restriction or requirement imposed under such a regulation " and after the words "£1,000" there shall be inserted the words " together in the case of such a failure with a penalty of £20 for each day on which the failure continues ";
- (c) at the end of subsection (4) there shall be inserted the words " or with any condition, restriction or requirement imposed under that regulation ".

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Attenuation charge for distilled spirits

- 13 In section 14(2) for the words "8.8 degrees" in both places where they occur there shall be substituted the words " 8 degrees "

Distillers' warehouses

- 14 In section 15—
- (a) for subsection (2) there shall be substituted—
- “(2) The Commissioners may approve such a place of security for such periods and subject to such conditions as they think fit.”;
- (b) after subsection (6) there shall be inserted—
- “(6A) Without prejudice to the generality of subsection (6) above, regulations under that subsection may—
- (a) provide for the imposition under the regulations of conditions and restrictions relating to the matters mentioned in that subsection ; and
- (b) impose or provide for the imposition under the regulations of requirements on the distiller or the proprietor of any goods in the warehouse to keep and preserve records relating to his business as such a distiller or proprietor and to produce them to an officer when required to do so for the purpose of allowing him to inspect them, to copy or take extracts from them or to remove them at a reasonable time and for a reasonable period.
- (6B) Where any documents removed under the powers conferred by subsection (6A)(b) above are lost or damaged the Commissioners shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.”;
- (c) in subsection (7) after the words "subsection (6) above" there shall be inserted the words "or with any condition, restriction or requirement imposed under such a regulation " and after the words "£1,000 " there shall be inserted the words " together in the case of such a failure with a penalty of £20 for each day on which the failure continues " .
- (d) at the end of subsection (8) there shall be inserted the words " or with any condition, restriction or requirement imposed under that regulation " .

Rectifying and compounding of spirits

- 15 In section 19—
- (a) after subsection (1) there shall be inserted—
- “(1A) Without prejudice to the generality of subsection (1) above, regulations under that subsection may—
- (a) provide for the imposition under the regulations of conditions and restrictions relating to the matters mentioned in that subsection ; and
- (b) impose or provide for the imposition under the regulations of requirements on rectifiers and compounders of spirits

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to keep and preserve records relating to their business as such and to produce them to an officer when required to do so for the purpose of allowing him to inspect them, to copy or take extracts from them or to remove them at a reasonable time and for a reasonable period.

(1B) Where any documents removed under the powers conferred by subsection (1A)(b) above are lost or damaged the Commissioners shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.”;

- (b) in subsection (2) after the word "section" there shall be inserted the words " or with any condition, restriction or requirement imposed under any such regulation " and
- (c) at the end of subsection (3) there shall be inserted the words " or with any condition, restriction or requirement imposed under that regulation " .

Drawback on British compounds and spirits of wine

16 In section 22 after subsection (3) there shall be inserted—

“(3A) The Commissioners may, subject to such conditions and restrictions as they may by regulations impose, allow drawback to any person on any British compounded spirits or spirits of wine rectified or compounded by him from duty-paid spirits and not containing any methyl alcohol or any wine, made-wine or other fermented liquor if they are exported direct from his premises.”.

Restrictions on distillers and rectifiers

17 In section 24—

- (a) at the beginning of subsection (1) there shall be inserted the words " Save with the permission of the Commissioners and subject to compliance with such conditions as they see fit to impose " ; and
- (b) in subsection (3) after the word " retailer" there shall be inserted the words " or wholesaler " .

Spirits consignment and advice notes

18 Sections 27 to 30 shall cease to have effect.

Transfer of spirit from distillers' warehouses

19 In section 32(1) the words from " and " onwards shall cease to have effect.

Abolition of wholesalers' licences etc.

20 Sections 65, 68, 70 and 85 to 89 shall cease to have effect.

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

Restrictions on wholesalers of spirits

- 21 At the beginning of section 69(1) there shall be inserted the words " Save with the permission of the Commissioners and subject to compliance with such conditions as they see fit to impose. " .

Methylated spirits

- 22 Section 76 shall cease to have effect.
- 23 In section 77—
- (a) in subsection (1) in paragraph (d) for the words "the sale without a licence of " there shall be substituted the words " dealing wholesale (within the meaning of section 75 above) without a licence in ";
 - (b) at the end of subsection (2) there shall be inserted the words "and, without prejudice to the generality of subsection (1) above, regulations under this section may—
 - (a) provide for the imposition under the regulations of conditions and restrictions relating to the matters mentioned in that subsection; and
 - (b) impose or provide for the imposition by regulations of requirements on authorised or licensed methylators and on retailers of methylated spirits to keep and preserve records relating to their businesses as such and to produce them to an officer when required to do so for the purpose of allowing him to inspect them, to copy or take extracts from them or to remove them at a reasonable time and for a reasonable period.";
 - (c) after that subsection there shall be inserted—

“(2A) Where any documents removed under the powers conferred by subsection (2)(b) above are lost or damaged the Commissioners shall be liable to compensate their owner for any expenses reasonably incurred by him in replacing or repairing the documents.”;
 - (c) in subsection (3) for the words " he shall be liable " onwards there shall be substituted the words "or with any condition, restriction or requirement imposed under such a regulation, he shall be liable on summary conviction to a penalty of £500 together in the case of such a failure with a penalty of £20 for each day on which the failure continues
 - (d) in subsection (4) for the word " sells" there shall be substituted the words " deals wholesale (within the meaning of section 75 above) in " and the words "or 76" shall cease to have effect.

PART III

AMENDMENTS OF LICENSING ACTS

The Licensing Act 1964

- 24 In section 181 of the Licensing Act 1964—

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

- (a) for the words from "the holder" to "his wholesaler's licence extends" there shall be substituted the words " a wholesaler within the meaning of section 4 of the Alcoholic Liquor Duties Act 1979 may, at the premises from which he deals wholesale, sell by retail without a justices' licence any intoxicating liquor other than cider in which he deals wholesale "; and
- (b) in paragraph (b) (iii) for the words " holder of the wholesaler's licence " there shall be substituted the word " wholesaler ".
- 25 In the definition of " intoxicating liquor " in section 201(1) of that Act for the words from " but" onwards there shall be substituted the words " but does not include—
- (a) any liquor which, whether made on the premises of a brewer for sale or elsewhere, is found on analysis of a sample thereof at any time to be of an original gravity not exceeding 1016° and of a strength not exceeding 1-2 per cent;
- (b) perfumes;
- (c) flavouring essences recognised by the Commissioners as not being intended for consumption as or with dutiable alcoholic liquor;
- (d) spirits, wine or made-wine so medicated as to be, in the opinion of the Commissioners, intended for use as a medicine and not as a beverage;
- and expressions used in paragraphs (a) and (d) above shall have the same meaning as in the Alcoholic Liquor Duties Act 1979."

The Licensing Act (Northern Ireland) 1971

- 26 In section 76 of the Licensing Act (Northern Ireland) Act 1971—
- (a) for subsection (1) there shall be substituted—
- “(1) A wholesaler within the meaning of section 4 of the Alcoholic Liquor Duties Act 1979 shall not sell intoxicating liquor to any person in Northern Ireland other than a person mentioned in subsection (2) unless—
- (a) the wholesaler is the holder of a licence under this Act for premises which are either of a kind mentioned in section 3(1)(o) or (b) or an hotel to which section 3(5)(b) (ii) applies ; and
- (b) the sale is made in those premises during the permitted hours.”;
- (b) for paragraph (b) of subsection (2) there shall be substituted—
- “(b) a wholesaler within the meaning of the said section 4”.
- 27 In the definition of "intoxicating liquor" in section 84(1) of that Act for paragraph (b) there shall be substituted—
- “(a) perfumes;
- (b) flavouring essences recognised by the Commissioners as not being intended for consumption as or with dutiable alcoholic liquor;
- (c) spirits, wine or made-wine so medicated as to be, in the opinion of the Commissioners, intended for use as a medicine and not as a beverage ;

and expressions used in paragraphs (a) and (d) above shall have the same meaning as in the Alcoholic Liquor Duties Act 1979.”.

- 28 In section 85 of that Act for paragraph (c) there shall be substituted—

- “(c) prejudice or affect the sale by any manufacturing or wholesale chemist and druggist of spirits of wine wholesale for medicinal purposes to registered medical practitioners, duly registered pharmaceutical chemists, chemists and druggists or persons requiring the spirits for use for scientific purposes in any laboratory ;”.

SCHEDULE 9

Section 35.

STOCK RELIEF

PART I

THE ALL STOCKS INDEX

- 1 The Department of Industry shall for the purposes of this Schedule prepare and publish a monthly index (to be known as " the all stocks index ") reflecting movements in the average price level of stocks held by corporate and unincorporated businesses in the United Kingdom.
- 2 In determining under this Schedule whether there has been an increase in the all stocks index over a period and, if so, the amount of the increase there shall be compared the figure given by the index for the month containing the last day of the period and the figure given by the index for the month containing the last day before the beginning of that period.

PART II

INCOME TAX

Entitlement to relief

- 3 (1) Where a person carries on a trade in respect of which he is within the charge to income tax under Case I of Schedule D he shall, subject to the provisions of this Schedule, be entitled to relief under this paragraph in respect of a period of account if—
- (a) there is an increase in the all stocks index over that period ; and
 - (b) the value of his trading stock at the end of the preceding period of account exceeded £2,000.
- (2) The relief shall be calculated by reference to the amount by which the value of the trading stock referred to in sub-paragraph (1)(b) above exceeded £2,000 and, subject to sub-paragraph (4) below, shall be equal to such percentage of that amount at corresponds to the percentage increase in the all stocks index over the period referred to in sub-paragraph (1)(a) above.
- (3) A person shall not be entitled to relief under this paragraph in respect of any period of account unless a claim for the relief is made within two years after the end of the year of assessment in which that period of account ends.

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

- (4) A person may, in making a claim for relief under this paragraph in respect of any period of account, specify an amount of relief less than that available under sub-paragraph (2) above and, if he does so, the relief to which he is entitled under this paragraph in respect of that period shall be the amount specified in the claim.

Recovery of relief on cessation of trade etc.

- 4 (1) Where during or at the end of a period of account a person carrying on a trade ceases to do so, or ceases to be within the charge to income tax under Case I of Schedule D in respect of the trade, then, subject to paragraph 20 below—
- (a) he shall not be entitled to relief in respect of that period; and
 - (b) a charge by way of recovery of relief shall be made on him on an amount equal to the unrecovered past relief allowed to him for that trade.
- (2) Sub-paragraph (1) above shall apply also where the scale of the activities of the trade for any period of account is negligible in comparison with their scale for any previous period of account beginning not more than six years before the first-mentioned period.
- (3) Where a charge for a period of account falls to be made under sub-paragraph (1)(b) above in consequence of a person ceasing to be within the charge to income tax in respect of a trade, or would fall to be so made apart from this sub-paragraph—
- (a) the unrecovered past relief allowed to him for that trade shall be treated as reduced by any relief to which he was entitled for that trade in respect of a previous period of account but to which effect cannot be given because of his ceasing to be within the charge to income tax in respect of the trade; and
 - (b) the charge shall be reduced accordingly or, if the amount of the relief is equal to or exceeds the unrecovered past relief, shall not be made.
- (4) Where during or at the end of a period of account a person carrying on a trade ceases (by virtue of ceasing to be resident in the United Kingdom) to be within the charge to income tax under Case I of Schedule D in respect of a part of the trade, he shall be treated for the purposes of this Schedule as if that part were a separate trade carried on by him in that period; and all necessary apportionments between the two parts of the trade (including the apportionment of unrecovered past relief allowed for that trade) shall be made by reference to the respective values of the trading stock of each part immediately after that event.

Method of giving effect to relief or charge

- 5 (1) Relief under paragraph 3 above in respect of any period of account shall be given as a deduction in charging the profits or gains of the trade to income tax for the relevant year of assessment.
- (2) Subject to sub-paragraph (3) below, any deduction for capital allowances shall be made before the deduction of the relief.
- (3) Where the deductions for the relevant year of assessment include deductions for relief, capital allowances or losses carried forward from an earlier year under paragraph 9 below, section 70(4) of the Capital Allowances Act 1968 or section 171 of the Taxes Act, the deductions shall be made in the following order—
- (a) capital allowances other than those carried forward under the said section 70(4) from an earlier year ;

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- (b) relief under paragraph 3 above in respect of the period of account in relation to which the year is the relevant year of assessment;
 - (c) capital allowances carried forward as aforesaid from years of assessment not earlier than the year for which the basis period ended on or included 14th November 1980 ;
 - (d) relief under paragraph 3 above carried forward under paragraph 9 below, taking relief in respect of a later period of account before relief in respect of an earlier one ;
 - (e) capital allowances carried forward as aforesaid from years of assessment earlier than those referred to in paragraph (c) above;
 - (f) relief under Schedule 5 to the Finance Act 1976 ;
 - (g) losses carried forward to the year under the said section 171.
- (4) Where the same year is the relevant year of assessment in relation both to—
- (a) a period of account in respect of which relief falls to be allowed under this Part of this Schedule ; and
 - (b) a period of account in respect of which relief fell to be allowed under Schedule 5 to the Finance Act 1976,
- the relief given effect in that year shall be attributed to the latter before the former.
- (5) A charge under paragraph 4 above in respect of any period of account shall be made by means of an assessment to income tax on the profits or gains of the trade—
- (a) in the case of a charge by reason of a person ceasing to carry on the trade or ceasing to be within the charge to income tax in respect of the trade, for the year of assessment in which the cessation occurs; and
 - (b) in the case of a charge in the circumstances mentioned in sub-paragraph (2) of that paragraph, for the relevant year of assessment.

Any such assessment shall be in addition to any other assessment falling to be made on the profits or gains of the trade for the year of assessment in question.

Top-slicing

- 6 (1) Where a trade has been carried on by a person for more than one year before the discontinuance or other event on which a charge under paragraph 4 above falls to be made on him, then his liability to tax for the year of assessment for which the charge is made shall, on a claim made by him within two years after the end of that year of assessment, be reduced in accordance with the following provisions of this paragraph.
- (2) The reduction is the amount of the difference between—
- (a) the tax on the whole amount on which the charge is made (the "chargeable amount"), calculated on the basis set out in sub-paragraph (4) below ; and
 - (b) the tax (if any) on the appropriate fraction of the chargeable amount, calculated on the same basis, and multiplied by the reciprocal of the appropriate fraction.
- (3) The " appropriate fraction " depends on the period for which the trade has been carried on before the discontinuance or other event and is—
- (a) one-half if the trade has been so carried on for more than one but less than two years ;
 - (b) one-third if it has been so carried on for two years or more.

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

- (4) The amounts of tax referred to in sub-paragraph (2) above are to be calculated on the following assumptions—
- (a) that the person's total income does not include any amount in respect of which he is chargeable to tax under section 80, 81 or 82 of the Taxes Act (premiums, etc. treated as rent), section 187 of that Act (payments on retirement or removal from office) or section 399(1)(a) of that Act (gains from life policies etc.);
 - (b) that deductions to be made in computing the tax are so far as possible set against sums other than the chargeable amount (or the fraction of it);
 - (c) that the chargeable amount (or fraction), after any deductions remaining to be made after applying paragraph (b) above, is the highest part of the person's total income (notwithstanding any other provisions of the Income Tax Acts directing any other income to be so treated).
- (5) Where a claim under this paragraph for any year of assessment is made in respect of more than one trade, this paragraph applies to each chargeable amount individually as if there were only one charge in that year.
- (6) For the purposes of section 400 of, and paragraphs 3 and 4 of Schedule 3 to, the Taxes Act (other top-slicing provisions) a person's total income shall not be treated as including any amount as a result of a charge under paragraph 4.

Meaning of "relevant year of assessment" and "basis period"

- 7 (1) This paragraph provides for ascertaining the relevant year of assessment in relation to a period of account for the purposes of this Part of this Schedule.
- (2) In this Part of this Schedule—
- (a) the "basis period" for any year of assessment means the the period on the profits or gains of which income tax for that year falls to be finally computed under Case I of Schedule D in respect of the trade in question, or, where, by virtue of any provision of section 115 of the Taxes Act, the profits or gains of any other period are to be taken as the profits or gains of the said period, that other period; and
 - (b) references to a period of account entering into a basis period are to the period of account, or any part of it, falling within or coinciding with that basis period.
- (3) Where a period of account enters into the basis period for only one year of assessment, that year is the relevant year of assessment in relation to that period of account.
- (4) Where a period of account enters into the basis period for more than one year of assessment, then—
- (a) if it does so by virtue of section 116 or 117 of the Taxes Act (commencement of trade), the relevant year of assessment in relation to that period of account is the first year of assessment into whose basis period the period of account enters; and
 - (b) in any other case, the relevant year of assessment is the last such year of assessment.

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

- (5) Where a period of account does not enter into the basis period for any year of assessment, the relevant year of assessment in relation to that period of account is that following the year of assessment in which the period of account ends.

Right to set unused relief against general income

- 8 (1) Subject to the provisions of this paragraph, a claim made under section 168 of the Taxes Act (set-off of losses against general income) for relief in respect of a loss sustained by the claimant in a trade in any year of assessment (the " year of loss ") may require the amount of that loss to be determined as if an amount equal to the relief to which he is entitled under this Part of this Schedule for the year of assessment for which the year of loss is the basis year were to be deducted in computing the profits or gains or losses of the trade in the year of loss.
- (2) Where there are capital allowances that can be the subject of a claim under the said section 168 by virtue of section 169 of the Taxes Act, no claim shall be made under section 168 by reference to relief under this Part of this Schedule unless a claim is also made by reference to those capital allowances; but a claim may be made under section 168 for relief in respect of a loss sustained by the claimant in any trade in any year of assessment notwithstanding that the claimant would not have sustained a loss in that year unless relief under this Part of this Schedule is brought into account.
- (3) Relief for any year of assessment shall be taken into account by virtue of this paragraph only if and so far as it is not required to offset any charge for that year under paragraph 4 above; and for the purposes of this sub-paragraph the relief for a year of assessment shall be treated as required to offset the charge for a year up to the amount on which the charge falls to be made after deducting from it the amount (if any) of relief for earlier years which is carried forward to that year and would, if not set against the charge, be unused in that year.
- (4) Where the relief taken into account by virtue of this paragraph is that for the year of assessment for which the claim is made or for the preceding year (the year of loss being the basis year for that year itself, or the claim being made by way of carry forward of the loss by virtue of section 168(2) of the Taxes Act), effect shall not be given to that relief in respect of an amount greater than the amount unused in the year for which the claim is made, or, in the case of relief for the preceding year, the amount unused in both years.
- (5) For the purposes of this paragraph—
- (a) where the end of the basis period for a year of assessment falls in, or coincides with the end of, any year of assessment, that year is the basis year for the first-mentioned year of assessment, but so that, if a year of assessment would under the foregoing provision be the basis year both for that year itself and for another year of assessment, it shall be the basis year for the year itself and not for the other year;
 - (b) any reference to the relief or charge for a year of assessment shall be construed as a reference to the relief or charge falling to be given effect in that year (excluding, in the case of relief, any part of the relief for an earlier year carried forward under paragraph 9 below);
 - (c) any reference to an amount of relief unused in a year shall be construed as referring to the amount by which, by reason of an insufficiency of profits or gains, effect cannot be given to the relief in that year.

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- (6) Where, on a claim made by virtue of this paragraph, relief is not given under section 168 of the Taxes Act for the full amount of the loss determined as mentioned in sub-paragraph (1) above, the relief under that section shall be attributed—
- (a) to the loss sustained by the claimant in the trade rather than to the capital allowances in respect of the trade brought into account by virtue of section 169 of the Taxes Act; and
 - (b) to those capital allowances rather than to relief under this Part of this Schedule.
- (7) Where a claim is made under the said section 168 by a person who, since the end of the year for which the claim is made, has carried on the trade in question in partnership, then effect shall be given to this paragraph in relation to that claim only with the consent in writing of every other person engaged in carrying on the trade between the end of that year and the making of the claim, except that where the claim is for a loss sustained before an event treated as the permanent discontinuance of the trade, the consent is not required of a person so engaged only since the discontinuance.
- (8) If a person whose consent is required under sub-paragraph (7) has died, the consent in writing of his personal representatives is required instead.

Carry forward of unused relief

- 9 (1) Where, in any year of assessment, full effect cannot be given to any relief falling to be allowed under this Part of this Schedule owing to there being no profits or gains of the trade chargeable for that year, or owing to the profits or gains chargeable being less than the amount of the relief, the relief or part of the relief to which effect has not been given, as the case may be, shall be carried forward and given effect in accordance with paragraph 5 above in the following year and, subject to paragraph 10 below, so on for succeeding years.
- (2) There may be carried forward under this paragraph to a year of assessment any relief under Schedule 5 to the Finance Act 1976 to the extent to which effect has not been given to it in a previous year.
- (3) This paragraph has effect subject to paragraph 8 above.

Restriction on carry forward of unused relief

- 10 Relief falling to be allowed under this Part of this Schedule in respect of a period of account shall not by virtue of paragraph 9 above be carried forward to a year of assessment if that period ended six years or more before the beginning of the period of account in relation to which that year is the relevant year of assessment.

Social security contributions

- 11 In computing for the purposes of Schedule 2 to the Social Security Act 1975 the amount of the profits or gains of a trade in respect of which Class 4 contributions are payable—
- (a) deductions or additions shall be made under paragraph 2 of that Schedule for any relief or charge under this Part of this Schedule which falls to be made in charging profits or gains to income tax under Case I of Schedule D ; and

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- (b) paragraphs 8 and 9 above shall be included among the relief provisions to which paragraph 3(1) of that Schedule applies.

PART III

CORPORATION TAX

Entitlement to relief

- 12 (1) Where a company carries on a trade in respect of which it is within the charge to corporation tax under Case I of Schedule D it shall, subject to the provisions of this Schedule, be entitled to relief under this paragraph in respect of a period of account if—
- (a) there is an increase in the all stocks index over that period; and
 - (b) the value of its trading stock at the end of the preceding period of account exceeded £2,000.
- (2) The relief shall be calculated by reference to the amount by which the value of the trading stock referred to in sub-paragraph (1)(b) above exceeded £2,000 and, subject to sub-paragraph (4) below, shall be equal to such percentage of that amount as corresponds to the percentage increase in the all stocks index over the period referred to in sub-paragraph (1)(a) above.
- (3) A company shall not be entitled to relief under this paragraph unless a claim for the relief is made within two years after the end of the period of account in respect of which the relief is claimed.
- (4) A company may, in making a claim for relief under this paragraph in respect of any period of account, specify an amount of relief less than that available under sub-paragraph (2) above and, if it does so, the relief to which it is entitled under this paragraph in respect of that period shall be the amount specified in the claim.

Recovery of relief on cessation of trade etc.

- 13 (1) Where during or at the end of a period of account a company carrying on a trade ceases to do so, or ceases to be within the charge to corporation tax under Case I of Schedule D in respect of the trade, then, subject to paragraph 20 below—
- (a) it shall not be entitled to relief in respect of that period; and
 - (b) a charge by way of recovery of relief shall be made on the company on an amount equal to the unrecovered past relief allowed to it for that trade.
- (2) Sub-paragraph (1) above shall apply also where the scale of the activities of the trade for any period of account is negligible in comparison with their scale for any previous period of account beginning not more than six years before the first-mentioned period.
- (3) Where during or at the end of a period of account a company carrying on a trade ceases (by virtue of ceasing to be resident in the United Kingdom) to be within the charge to corporation tax under Case I of Schedule D in respect of a part of the trade, it shall be treated for the purposes of this Schedule as if that part were a separate trade carried on by it in that period; and all necessary apportionments between the two parts of the trade (including the apportionment of unrecovered past relief allowed for

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that trade) shall be made by reference to the respective values of the trading stock of each part immediately after that event

- 14 (1) Where there is a change of ownership of a company and section 483 of the Taxes Act applies so as to restrict the carrying forward of losses incurred before the change, then relief to which those disallowed losses are attributable shall, although unrecovered in periods of account ending before the change of ownership, nevertheless be disregarded in ascertaining the amount of unrecovered past relief in later periods of account.
- (2) Relief to which disallowed losses are attributable is that which was not given effect in the period of account or base period for which it was allowed or in a subsequent period of account.
- (3) For the purposes of sub-paragraph (2) above—
- (a) relief under Part II of Schedule 5 to the Finance Act 1976 ; and
 - (b) Schedule 10 relief as defined in paragraph 18 of that Schedule,
- is assumed to be given effect before capital allowances and profits or gains are assumed to be set against losses attributable to that relief before other losses; and any question whether effect has been given to relief under this Part of this Schedule shall be determined as for the purposes of paragraph 17(1) below. Section 483(5) of the Taxes Act has effect subject to this sub-paragraph.
- (4) For the purpose of ascertaining the extent to which relief to which disallowed losses are attributable has been recovered in periods of account ending before the change of ownership, it shall be assumed—
- (a) that relief within sub-paragraph (3)(a) or (b) above is re covered from earlier periods before later periods and that effect is given to that relief from earlier periods before later periods;
 - (b) that relief under this Part of this Schedule is recovered from later periods before earlier periods and that effect is given to that relief from later periods before earlier periods.
- 15 (1) Where an amount of government investment in a body corporate is set off under section 48 of this Act against that body's losses as at the end of an accounting period, being losses within subsection (3)(a) of that section, then—
- (a) if the whole amount of those losses is extinguished by the set off sub-paragraph (2) below shall have effect in relation to the relief to which that amount is attributable; and
 - (b) if a lesser amount of those losses is so extinguished, that sub-paragraph shall have effect in relation to the relief to which that lesser amount is attributable.
- (2) The relief referred to in sub-paragraph (1) above shall, although unrecovered in periods of account ending in or before the accounting period there mentioned, nevertheless be disregarded in ascertaining the amount of unrecovered past relief in later periods of account.
- (3) Subject to sub-paragraph (4) below, relief to which any amount of extinguished losses is attributable shall be identified in accordance with paragraph 14(2) to (4) above as in the case of relief to which disallowed losses are attributable.
- (4) For the purposes of sub-paragraph (1)(b) above
- (a) the set off shall be treated as extinguishing the loss of an earlier accounting period before that of a later accounting period; and

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- (b) if the set off extinguishes only part of the loss of an accounting period, the components of that part shall be identified in accordance with paragraph 14(3) above as if that part were profits against which effect could be given to the relief.

Method of giving effect to relief or charge

- 16
- (1) Relief under paragraph 12 above in respect of any period of account shall, subject to the provisions of this paragraph, be given effect by treating the amount of the relief as a trading expense of the trade in that period.
 - (2) A charge under paragraph 13 above in respect of any period of account shall, subject to the provisions of this paragraph, be given effect by treating the amount on which the charge is to be made as a trading receipt of the trade in that period.
 - (3) Where a trade is set up and commenced by a company during a period of account, any amount which in accordance with this paragraph falls to be treated as an expense or receipt of the trade in that period, shall be brought into account only in respect of the accounting period, or periods, beginning with or after that commencement.
 - (4) Where during a period of account a company carrying on a trade ceases to do so, or ceases in respect of it to be within the charge to corporation tax under Case I of Schedule D, any relief or charge which in accordance with this paragraph falls to be treated as an expense or receipt of the trade in that period, shall be brought into account only in respect of the accounting period, or periods, ending on or before that discontinuance or other event.

Restriction of carry forward of unused relief

- 17
- (1) Where a company incurs a loss in an accounting period there shall not be carried forward under section 177(1) of the Taxes Act to a subsequent accounting period so much of that loss as consists of relief under this Part of this Schedule for an accounting period which ended six years or more before the beginning of that subsequent accounting period.
 - (2) For the purposes of this paragraph the loss incurred by a company in an accounting period shall be taken to consist of—
 - (a) the loss, if any, incurred in the trade in that period (calculated without regard to capital allowances or relief under this Part of this Schedule);
 - (b) the capital allowances for the accounting period less the amount of the profit, if any, that accrued from the trade in that period (calculated without regard to capital allowances or relief under this Part of this Schedule); and
 - (c) the relief under this Part of this Schedule for the accounting period less so much of the profit referred to in paragraph (b) above as remains after deducting the capital allowances referred to in that paragraph.
 - (3) Subject to sub-paragraph (4) below, where by virtue of section 177(2) of the Taxes Act (set off against profits), section 254 of that Act (set off against franked investment income) or section 258 of that Act (group relief) a loss falls to be set off against an amount of profits or franked investment income of an accounting period but the loss exceeds that amount, the part of the loss that is so set off shall for the purposes of this paragraph be taken to consist—
 - (a) first of the loss, if any, referred to in sub-paragraph (22a) above;

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- (b) next of the capital allowances referred to in sub-paragraph (2)(b) above; and
 - (c) lastly of the relief referred to in sub-paragraph (2)(c) above.
- (4) Where subsection (3A) of the said section 177 applies, the part of the loss referred to in sub-paragraph (3) above shall be attributed first to the additional amount allowed by virtue of that subsection under subsections (2) and (3) of that section and then as provided by sub-paragraph (3) above (excluding that amount from paragraph (b)).
- (5) Where by virtue of section 177(1) of the Taxes Act (carry forward of losses) any amount in respect of a loss or losses incurred by a company falls to be set off against the company's trading income in an accounting period but that amount exceeds that income, the part of the amount that is set off shall for the purposes of this paragraph be taken to consist—
- (a) first of capital allowances for previous accounting periods ending not earlier than 14th November 1980 ;
 - (b) next of relief under this Part of this Schedule, taking relief in respect of a later period of account before relief in respect of an earlier one ;
 - (c) next of losses incurred in the trade in previous accounting periods ending not earlier than 14th November 1980 (calculated without regard to capital allowances or relief falling within paragraphs (a) and (b) above) and including any losses treated under section 254(5) of the Taxes Act as incurred in such accounting periods ; and
 - (d) lastly of other losses, capital allowances and reliefs.
- (6) In this paragraph references to relief under this Part of this Schedule for an accounting period are to relief in respect of any period of account falling wholly within the accounting period and to a proportionate part of the relief in respect of any period of account falling partly within it.

PART IV

GENERAL RULES

Partnerships

- 18 (1) Where a trade is carried on by persons in partnership, entitlement to relief or liability to charge under this Schedule is a joint entitlement or liability, and any claim for relief under this Schedule shall be a single claim made in the partnership name.
- (2) Where none of those persons is a company, entitlement to relief and liability to charge under this Schedule shall be ascertained and given effect as if the trade were carried on by an individual.
- (3) Where any of those persons is a company, entitlement to relief and liability to charge under this Schedule shall be ascertained as if the partnership were a company and shall be given effect in accordance with the following provisions of this paragraph.
- (4) A company's share in any such entitlement or liability in any accounting period of the partnership shall be determined according to the interests of the partners during that period, and shall be given effect as if the share derived from a trade carried on by the company alone in its corresponding accounting period or periods.

In this sub-paragraph " corresponding accounting period or periods " means the accounting period or periods of the company comprising or together comprising the accounting period of the partnership, and any necessary apportionment shall be made between corresponding accounting periods if more than one.

- (5) The share in any such entitlement or liability of the partner or partners other than companies shall be given as if that share derived from a trade carried on by him, or, as the case may be, by them in partnership, otherwise than in partnership with a company.

New businesses

- 19 (1) A person's entitlement to relief under this Schedule for a trade in respect of a period of account shall be determined in accordance with this paragraph if the trade is set up and commenced at the beginning of that period or in the course of it
- (2) The relief to which the person is entitled for the trade in respect of the period of account shall be determined—
- (a) as if the value of his trading stock at the end of that period, as reduced in accordance with sub-paragraph (3) below, were the value of his trading stock at the end of the preceding period of account; and
- (b) if the period of account begins before the date on which the trade is set up and commenced, by reference to the increase, if any, in the all stocks index over the part of that period beginning with that date.
- (3) For the purposes of sub-paragraph (2)(a) above the value of the person's trading stock at the end of the period of account in respect of which the relief is given shall be reduced by multiplying it by the fraction of which—
- (a) the numerator is the figure given by the all stocks index for the month containing the last day before the beginning of that period; and
- (b) the denominator is the figure given by that index for the month containing the last day of that period.
- (4) If the period of account begins before the date on which the trade is set up and commenced the reference in sub-paragraph (3)(a) above to that period of account shall be construed as a reference to the part of it beginning with that date.
- (5) Sub-paragraph (2) has effect subject to paragraph 23 below.

Successions

- 20 (1) The provisions of this paragraph apply—
- (a) where the whole or part of a trade carried on by one company (" the predecessor ") is transferred to another company (" the successor ") and section 252 of the Taxes Act (company reconstructions) has effect in relation to that event; or
- (b) where the whole of a trade carried on by an individual or by persons in partnership ("the predecessor") is transferred to a company resident in the United Kingdom ("the successor") and at the date of the transfer not less than three-quarters of the ordinary share capital of the company is held by that individual or those persons,
- and, in either case, the trading stock is transferred at cost or at market value.

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

- (2) Where the whole of a trade is transferred and the predecessor and successor so elect—
- (a) paragraphs 4 and 13 above shall not apply to the predecessor's period of account which ends with or includes the date of transfer but, in ascertaining in the successor's period of account which begins with or includes that date and in any later period of account, the amount of unrecovered past relief allowed to a person in respect of the trade, the successor shall be treated as having carried on the trade since the predecessor began (or is himself treated, by virtue of this sub-paragraph or of any other provision of this Schedule or of Schedule 5 to the Finance Act 1976, as having begun) to do so ;
 - (b) the relief to which the predecessor is entitled under this Schedule for that trade in respect of a period of account which begins before and ends after the date of transfer shall be determined by reference to the increase, if any, in the all stocks index over the part of the period before that date;
 - (c) the relief to which the successor is entitled under this Schedule for that trade in respect of a period of account which begins with or includes the date of transfer shall be determined—
 - (i) as if the value at which the trading stock was transferred were the value of his trading stock at the end of the preceding period of account; and
 - (ii) if the period of account begins before the date of the transfer, by reference to the increase, if any, in the all stocks index over the part of that period beginning with that date.
- (3) Where sub-paragraph (2)(a) above has effect in a case within sub-paragraph (1)(b) above the unrecovered past relief shall not include relief to which the predecessor was entitled but to which effect has not been given owing to an insufficiency of profits or gains.
- (4) Sub-paragraph (2)(b) and (c) above has effect subject to paragraph 23 below.
- (5) Where part of a trade is transferred and the predecessor and successor so elect, then, for the purposes of this Schedule the predecessor shall be treated as having carried on in the period of account during or at the end of which the transfer occurred a separate trade consisting of the part transferred; and all necessary apportionments between the two parts of the trade (including the apportionment of unrecovered past relief allowed for the trade) shall be made by reference to the respective values of the trading stock of each part immediately after the transfer.
- (6) An election under this paragraph shall be by notice in writing signed by both the predecessor and the successor and sent to the inspector within two years after the end of the successor's period of account which begins with or includes the date of the transfer.
- 21 (1) Subject to the provisions of this paragraph, where there is a change in the persons engaged in carrying on a trade, this Schedule applies as if the trade had been permanently discontinued at the date of the change and a new trade had been then set up and commenced.
- For the purposes of this paragraph, a change in the personal representatives of any person, or in the trustees of any trust, shall not be treated as a change in the persons carrying on any trade carried on by those personal representatives or trustees as such.
- (2) Where there is a change of persons but—

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- (a) a person engaged in carrying on the trade immediately before the change continues to be so engaged immediately after the change; and
- (b) the trading stock of the trade immediately before the change is the trading stock immediately after the change,

an election may be made to the effect that sub-paragraph (1) above shall not apply to the change.

- (3) An election under this paragraph must be made by all the persons engaged in carrying on the trade before the change ("the predecessors") and all those so engaged immediately after the change ("the successors") and be signed by them and sent to the inspector within two years after the end of the successors' period of account which begins with or includes the date of the change.

Where those persons have elected under section 154(2) of the Taxes Act that the trade be treated as continuing for income tax purposes, they shall be treated as having also made an election under this paragraph.

- (4) In ascertaining for the purposes of this Schedule the amount of unrecovered past relief allowed to a person in respect of a trade where at an earlier date a change in the persons carrying on that trade has been the subject of an election under the provisions of this paragraph or paragraph 21 of Schedule 5 to the Finance Act 1976, the successors (in relation to that change) shall be treated as having carried on the trade since the predecessors began (or are themselves treated by virtue of this sub-paragraph or any other provision of this Schedule or of Schedule 5 to the said Act of 1976. as having begun) to do so.
- (5) Where during a period of account there is a change in the persons engaged in carrying on a trade, and—
- (a) an election is made under this paragraph; but
 - (b) no election is made under section 154(2) of the Taxes Act in relation to that change,

any relief or charge under this Schedule in respect of that period of account shall be apportioned between the predecessors and successors according to the respective lengths of the parts of the period falling before and after the change, and for the purpose of giving effect to that relief or charge each of those parts shall be treated as if it were a separate period of account.

Adjustment for special circumstances

- 22 (1) An adjustment shall be made under this paragraph where any arrangements have been effected by a person carrying on a trade, or by him and other persons acting together, such in particular as those mentioned in sub-paragraph (2) below, and it appears that the sole or main benefit which, but for this paragraph, might have been expected to accrue to that person was—
- (a) the obtaining of relief or the reduction of the amount of a charge under this Schedule; or
 - (b) a reduction in the amount of relief to which effect cannot be given by virtue of paragraph 10 or 17(1) above.
- (2) The arrangements referred to in sub-paragraph (1) above are—
- (a) any acquisition or disposal of trading stock otherwise than in the normal course of the trade in question ; or
 - (b) any change in the normal pattern or method of carrying on the trade; or

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- (c) any change in the date to which the accounts of the trade are made up ; or
 - (d) any increase in the value of a person's trading stock or any acquisition by a person of trading stock, being an increase or acquisition which is associated with a decrease in the trading stock of another person connected with him (within the meaning of section 533(5) or (6) of the Taxes Act).
- (3) In a case within sub-paragraph (1)(a) above the adjustment is to substitute for the purposes of this Schedule, for the value of the trading stock of the person concerned at the end of any period of account which appears to have been affected by the arrangements, the value which it appears that the trading stock would then have had if those arrangements had not been made.
- (4) In a case within sub-paragraph (1)(b) above the adjustment is to determine the amount of relief to which effect cannot be given by virtue of paragraph 10 or 17(1) above as if the arrangements had not been made.

Long periods of account

- 23 (1) Where a person's period of account is longer than eighteen months his entitlement to relief under this Schedule in respect of that period shall be determined by—
- (a) calculating the relief for separate parts of the period as if they were separate periods of account; and
 - (b) aggregating the reliefs for those parts.
- (2) Each of the separate parts of the period shall (so far as length of the period permits) consist of twelve months, any remaining months being used to form the last part.

Valuation of stock at intermediate dates

- 24 (1) If for the purposes of this Schedule it is necessary to ascertain the value of a person's trading stock at a date other than the end of a period of account and that value has not in fact been ascertained, that person shall be treated as having at that date trading stock of such value as may be attributed in accordance with sub-paragraph (2) below.
- (2) The value to be attributed under sub-paragraph (1) above is such value as is reasonable and just having regard to all the relevant circumstances of the case, and in particular—
- (a) to the values of trading stock of the trade at the beginning and end of the period of account which includes the date in question;
 - (b) to movements during that period of account in the costs of items of a kind comprised in the person's trading stock during the period; and
 - (c) to changes during that period in the volume of the trade carried on by that person.
- (3) In applying this paragraph for the purposes of paragraph 23 above, the period of account referred to in sub-paragraph (2) above is the period of account which by virtue of that paragraph is treated as consisting of separate parts.
- (4) Sub-paragraph (1) above shall apply also where by virtue of the provisions of section 35(2) of this Act it is necessary to ascertain the value of a person's trading stock at 13th November 1980 ; and for that purpose the period of account referred to in sub-paragraph (2) above shall be the period treated by virtue of those provisions as if it were two separate periods.

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

Farm animals

- 25 (1) Animals treated as trading stock under Schedule 6 to the Taxes Act (farm animals etc.), shall, subject to the provisions of this paragraph, be so treated for the purposes of this Schedule.
- (2) Where a person makes an election for the herd basis under that Schedule which takes effect during a period of account, animals forming part of a herd with respect to which the election has effect shall be treated for the purposes of this Schedule as not having been trading stock of that person at the end of the preceding period of account or at any subsequent time.
- (3) Where a person makes an election for the herd basis under that Schedule, then, at the end of the period of account preceding that in which the election takes effect ("the point of election ") the unrecovered past relief allowed to him for the farming or other trade in question (including the relief in respect of that period of account) shall be apportioned between the herd and the rest of his trading stock by reference to their respective values at the point of election.
- (4) Where a company which has made an election for the herd basis under the said Schedule 6 transfers part of its trade, the part of its unrecovered past relief which represents relief apportioned to the herd under sub-paragraph (3) above or paragraph 25(3) of Schedule 5 to the Finance Act 1976—
- (a) shall not be apportioned in accordance with paragraph 20(5) above; but
 - (b) if all the animals or none of them are included in the transfer, shall be allocated to the part of the trade that is transferred or, as the case may be, the part that is retained and, if some of them are included, shall be apportioned between those parts by reference to the respective values of the animals transferred and the animals retained.
- (5) In this paragraph " herd " has the same meaning as in Schedule 6 to the Taxes Act, and this paragraph applies (as does that Schedule), with the necessary adaptations, to animals or other creatures kept singly as it applies in relation to herds.

PART V

INTERPRETATION

" Period of account "

- 26 In this Schedule "period of account" means a period for which an account is made up in relation to the trade in question.

" Past relief "

- 27 (1) References in this Schedule to " past relief ", in relation to a trade carried on by any person in any period of account, are to the aggregate amount of the following reliefs allowed to him (or treated as allowed to him)—
- (a) Schedule 10 relief (as defined in paragraph 18 of Schedule 5 to the Finance Act 1976) allowed for that trade;
 - (b) relief under Part I or Part II of that Schedule allowed for that trade; and
 - (c) relief under Part II or Part III of this Schedule in respect of earlier periods of account.

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

- (2) Subject to sub-paragraphs (3) to (5) below and to paragraphs 4(3), 14, 15 and 20(3) above, the amount of unrecovered past relief in any period of account is that aggregate amount less the aggregate of the amounts on which charges by way of recovery of relief (whether under this Schedule, Schedule 5 to the said Act of 1976 or paragraph 8 of Schedule 7 to the Finance Act 1980) have been made on that person for that trade in respect of earlier periods of account.
- (3) There shall be excluded from the amount of unrecovered past relief in any period of account so much of that amount (if any) as is attributable to relief allowed under Part I or Part II of Schedule 5 to the said Act of 1976 or under Part II or Part III of this Schedule in respect of any period of account which ended six years or more before the beginning of the first-mentioned period.
- (4) There shall be excluded from the amount of unrecovered past relief in any period of account beginning after—
 - (a) the end of the period or the last period of account ending in the financial year 1978 (in the case of a company) or the year 1978-79 (in other cases); or
 - (b) if there is no such period of account, the end of the period of account current at the end of that financial year or year of assessment, as the case may be,
 so much of that amount (if any) as is attributable to Schedule 10 relief.
- (5) For the purpose of attributing the amount of unrecovered past relief in any period to Schedule 10 relief, to relief allowed under Part I or Part II of Schedule 5 to the said Act of 1976 or to relief allowed under Part II or III of this Schedule in respect of any previous period it shall be assumed that relief is recovered from later periods before earlier periods.

"Trading stock"

- 28 (1) Subject to the provisions of this paragraph and of paragraphs 29 and 30 below, in this Schedule "trading stock" means property of any description, whether real or personal, being either—
- (a) property such as is sold in the ordinary course of the trade in question, or would be sold if it were mature or if its manufacture, preparation or construction were complete; or
 - (b) materials such as are used in the manufacture, preparation or construction of any such property as is referred to in paragraph (a) above,
- and includes work in progress.
- (2) Sub-paragraph (1) above does not apply to—
 - (a) securities (which for this purpose includes stocks and shares); or
 - (b) land, other than such as is ordinarily sold in the course of the trade only—
 - (i) after being developed by the person carrying on the trade, or
 - (ii) in the case of a company which is a member of a group, for the purpose of being developed by another company in that group; or
 - (c) goods which the person carrying on the trade has let on hire or hire-purchase.
 - (3) In sub-paragraph (2) above, references to development are, in relation to land other than a building, references to the construction or substantial reconstruction of buildings on the land and, in relation to a building, references to its construction or substantial reconstruction and "group" shall be construed in accordance with section 272 of the Taxes Act.

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

- (4) For the purposes of this Schedule the value of a person's trading stock at any time shall be reduced to the extent to which payments on account have been made at or before that time in respect of that stock.
- (5) References in this Schedule to trading stock are to the trading stock brought into account in computing the profits or gains of a trade in accordance with Case I of Schedule D.
- (6) Where a person not resident in the United Kingdom carries on a trade partly within the United Kingdom and partly abroad, references in this Schedule to his trading stock are to the stock attributable to that part of the trade within the charge to United Kingdom tax.
- 29 (1) For the purpose of determining under this Schedule whether any property is a person's trading stock anything which—
- (a) is used by a person ("the contractor") in carrying out, or results from the carrying out by him of, a contract for the manufacture, preparation or construction of any property ; and
 - (b) by virtue of a provision in the contract or of any rule of law vests in the other party to the contract before the contract has been fully performed by the contractor;
- shall, until the contract has been so performed, be treated as belonging to the contractor, and, subject to sub-paragraph (2) below, as not belonging to the other party.
- (2) Where the value of any property treated as belonging to the contractor by virtue of sub-paragraph (1) above falls to be reduced under paragraph 28(4) above by reference to payments made by the other party, sub-paragraph (1) above shall not preclude the property being treated, at a value equal to the payments, as belonging to the other party.
- (3) For the purpose of determining under this Schedule whether any property is a person's trading stock any goods which—
- (a) have been sold to a person subject to a condition reserving ownership to the seller pending full payment by that person ; but
 - (b) are treated in the accounts of the seller as sold and in the accounts of the person mentioned in paragraph (a) above as bought,
- shall be treated as belonging to that person and not to the seller.
- 30 (1) In relation to relief in respect of any period of account beginning on or before 26th March 1980 "trading stock" shall include any assets which by virtue of paragraph 7 of Schedule 7 to the Finance Act 1980 were disqualified from being trading stock in relation to any period of account beginning after that date.
- (2) In relation to unrecovered past relief attributable to such assets—
- (a) paragraphs 20 and 21 above shall not displace the operation of any charge under paragraph 4 or 13 above ; and
 - (b) references in paragraphs 4(4) and 13(3) above to unrecovered past relief shall apply as in the case of other unrecovered past relief.
- (3) For the purposes of sub-paragraph (2) above the unrecovered past relief at the beginning of the first period of account beginning after 26th March 1980 shall be apportioned between such assets as are mentioned in sub-paragraph (1) above and other stock by reference to their respective values at the beginning of that period.

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

" Work in progress "

- 31 In this Schedule " work in progress " means—
- (a) any services performed in the ordinary course of the trade, the performance of which was partly completed at the material time and for which it would be reasonable to expect that a charge will subsequently be made ; and
 - (b) any article produced, and any such material as is used, in the performance of any such services.

Other definitions

- 32 For the purposes of this Schedule a person is within the charge to income tax or corporation tax in respect of a trade if the profits or gains arising from it are (or if there were any would be) chargeable to that tax, and references to a trade being within the charge to tax shall be similarly construed.
- 33 Any reference in this Schedule to a period ending in another period includes a reference to a period ending on the same day as the other period.

PART VI

APPLICATION TO PROFESSIONS AND FOREIGN TRADES

- 34 The foregoing provisions of this Schedule have effect, with the necessary modifications, in relation to professions and vocations chargeable under Case II of Schedule D as they have effect in relation to trades chargeable under Case I of that Schedule.
- 35 The foregoing provisions of this Schedule (including paragraph 34 above) have effect, with the necessary modifications, in relation to trades, professions and vocations carried on outside the United Kingdom and chargeable under Case V of Schedule D otherwise than on a remittance basis as they have effect in relation to trades, professions and vocations chargeable under Case I or Case II of that Schedule, except that where, in charging the income from that trade, profession or vocation, a deduction of one quarter of the amount of that income falls to be allowed under section 23(3) of the Finance Act 1974 (income charged to income tax otherwise than on remittance basis) the amount of relief under this Schedule shall be confined to three-quarters of the amount which would have been applicable had the trade, profession or vocation been chargeable under the said Case I or Case II.

SCHEDULE 10

Section 35.

STOCK RELIEF : TRANSITIONAL PROVISIONS

Option for old relief

- 1 Paragraph 2 below has effect in relation to any period of account which ends on or includes 14th November 1980 and in that paragraph " the new relief " means relief under Schedule 9 to this Act. " the old relief " means relief under Schedule 5 to the Finance Act 1976 and any expression which is also used in the said Schedule 5 has the same meaning as in that Schedule.

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

- 2 (1) If the new relief to which a person is entitled in respect of the period of account is less than the old relief to which he would have been so entitled as modified by paragraph 3 below, he may elect to receive the old relief as so modified instead of the new relief.
- (2) An election under this paragraph shall be by notice in writing sent to the inspector within two years after the end of the period of account (in the case of a company) or the end of the year of assessment in which the period of account ends (in other cases).
- (3) The relief to which a person is entitled by virtue of an election under this paragraph shall, except as to its amount, be treated for the purposes of Schedule 9 to this Act as if it were relief under paragraph 3 or, as the case may be, paragraph 12 of that Schedule.
- 3 (1) For the purposes of paragraph 2 above the amount of the old relief shall be determined in accordance with this paragraph.
- (2) If the closing stock value is more than the value of the trading stock on 14th November 1980 the increase in stock value shall be calculated by reference to the value of the trading stock on that date instead of the closing stock value.
- (3) Where the increase in stock value falls to be calculated in accordance with sub-paragraph (2) above the deduction to be made by reference to relevant income shall be made by reference to such part of that income as corresponds to the part of the period of account ending with 14th November 1980.
- (4) Where an election is made under paragraph 20 of Schedule 9 to this Act by reference to a transfer which took place before 14th November 1980, sub-paragraph (2) above shall not apply in relation to the predecessor.
- (5) Paragraph 24 of Schedule 9 to this Act shall apply for the purposes of this paragraph.
- (6) There shall be deducted from the amount of the old relief an amount equal to one-quarter of the amount of the new relief or £10,000, whichever is the less.
- (7) Where a charge has been deferred as mentioned in paragraph 4 below, the amount of the old relief shall be equal to—
- (a) the amount of that relief as determined under sub-paragraphs (2) to (6) above ; or
 - (b) so much of the amount of that relief determined without regard to those sub-paragraphs as does not exceed the amount of the charge,
- whichever is the greater.

Recovery of deferred charge

- 4 Notwithstanding section 35 of this Act any charge which under Part I of Schedule 7 to the Finance Act 1980 has been deferred to a period of account which ends on or includes 14th November 1980 shall be recoverable as if this Act had not been passed.

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

SCHEDULE 11

Section 56(3).

RELIEF FOR INVESTMENT IN NEW CORPORATE TRADES: WHOLESALE AND RETAIL DISTRIBUTION

PART I

- 1 The goods are bought by the trader in quantities larger than those in which he sells them.
- 2 The goods are bought and sold by the trader in different markets.
- 3 The trader employs staff and incurs expenses in the trade in addition to the cost of the goods and, in the case of a trade carried on by a company, in addition to any remuneration paid to any person connected with it.

PART II

- 4 There are purchases or sales from or to persons who are connected with the trader.
- 5 Purchases are matched with forward sales or vice versa.
- 6 The goods are held by the trader for longer than is normal for goods of the kind in question.
- 7 The trade is carried on otherwise than at a place or places commonly used for wholesale or retail trade.
- 8 The trader does not take physical possession of the goods.

SCHEDULE 12

Section 65(4).

RELIEF FOR INVESTMENT IN NEW CORPORATE TRADES : SUBSIDIARIES

Finance for trade of subsidiary

- 1 The shares issued by the new qualifying company may, instead of or as well as being issued for the purpose mentioned in subsection (1)(b) of section 52, be issued for the purpose of raising money for a new qualifying trade which is being carried on by a subsidiary or which a subsidiary intends to carry on within the next twelve months ; and where shares are so issued subsections (3) and (6) of that section shall have effect as if references to the company were or, as the case may be, included references to the subsidiary.

Individuals qualifying for relief

- 2 (1) Subsections (2) and (3) of section 54 shall have effect as if references to the company included references to any subsidiary of the company; and, without prejudice to the provisions of that section, an individual shall be treated as connected with a company if he directly or indirectly possesses or is entitled to acquire any loan capital of a subsidiary of that company.
- (2) Section 54(5) and (8) shall apply for the purposes of this paragraph.

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

New qualifying trade

- 3 In relation to a new qualifying trade carried on by a subsidiary the references in subsections (2)(f) and (6) of section 56 to another person and the reference in subsection (7) of that section to a person having a controlling interest in the trade shall not include references to the company of which it is a subsidiary.

Value received

- 4 In sections 58(1) and 59(4) references to the receipt of value from the company shall include references to the receipt of value from a subsidiary of the company, and references to the company in the other provisions of section 58 and in section 59(7) shall be construed accordingly.

Claims

- 5 Where a company has one or more subsidiaries, the reference in subsection (4) of section 61 to a statement by the company shall include a reference to a statement by the subsidiary or each subsidiary and the references in subsection (5) of that section to the company shall be construed accordingly.

Information

- 6 Where a subsidiary is notified by the inspector that relief has been given in respect of any shares issued by a company of which it is a subsidiary section 63(3) shall apply to the subsidiary as respects any transfer of its shares as it applies to the company as respects any transfer of the shares of the company.
- 7 Subsections (5) and (6) of section 63 shall have effect in relation to any such arrangements as are mentioned in section 65(2)(c) as they have effect in relation to any such arrangement as is mentioned in section 59(1).

SCHEDULE 13

Section 92.

LIFETIME RATES OF CAPITAL TRANSFER TAX

TABLE

Portion of value		Rate of tax
Lower limit	Upper limit	Per cent.
£	£	
0	50,000	Nil
50,000	60,000	15
60,000	70,000	17 ½
70,000	90,000	20
90,000	110,000	22 ½
110,000	130,000	25

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

Portion of value		Rate of tax
130,000	160,000	30
160,000	510,000	35
510,000	1,010,000	40
1,010,000	2,010,000	45
Over 2,010,000	—	50

SCHEDULE 14

Section 96.

CAPITAL TRANSFER TAX RELIEF FOR AGRICULTURAL PROPERTY

Preliminary

- 1 (1) In this Schedule " transfer of value " includes a distribution payment and a capital distribution, and references to the value transferred by a transfer of value and to a transferor shall be construed as including respectively the amount of such a payment or distribution and the trustees of the settlement concerned.
- (2) In this Schedule " agricultural property " means agricultural land or pasture and includes woodland and any building used in connection with the intensive rearing of livestock or fish if the woodland or building is occupied with agricultural land or pasture and the occupation is ancillary to that of the agricultural land or pasture ; and also includes such cottages, farm buildings and farm-houses, together with the land occupied with them, as are of a character appropriate to the property.
- (3) For the purposes of this Schedule the agricultural value of any agricultural property shall be taken to be the value which would be the value of the property if the property were subject to a perpetual covenant prohibiting its use otherwise than as agricultural property.
- (4) This Schedule applies to agricultural property only if it is in the United Kingdom, the Channel Islands or the Isle of Man.

Nature of relief

- 2 (1) Where the whole or part of the value transferred by a transfer of value is attributable to the agricultural value of agricultural property, the whole or that part of the value transferred shall be treated as reduced by the appropriate percentage, but subject to the following provisions of this Schedule.
- (2) The appropriate percentage is 50 per cent, if either—
- (a) the interest of the transferor in the property immediately before the transfer carries the right to vacant possession or the right to obtain it within the next twelve months, or
 - (b) the transferor has been beneficially entitled to that interest since before 10th March 1981 and the conditions set out in sub-paragraph (3) below are satisfied ;
- and, subject to sub-paragraph (4) below, it is 20 per cent, in any other case.

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

- (3) The conditions referred to in sub-paragraph (2)(b) above are—
- (a) that, if the transferor had disposed of his interest by a transfer of value immediately before 10th March 1981 and duly made a claim under paragraph 1 of Schedule 8 to the Finance Act 1975, the value transferred would have been computed in accordance with paragraph 2 of that Schedule and relief would not have been limited by paragraph 5 of that Schedule (restriction to £250,000 or one thousand acres): and
 - (b) that the transferor's interest did not at any time during the period beginning with 10th March 1981 and ending with the date of the transfer carry a right mentioned in sub-paragraph (2)(a) above, and did not fail to do so by reason of any act or deliberate omission of the transferor during that period.
- (4) Where the appropriate percentage would be 50 per cent, but for a limitation on relief that would have been imposed (as mentioned in sub-paragraph (3)(a) above) by paragraph 5 of Schedule 8 to the Finance Act 1975, the appropriate percentage shall be 50 per cent, in relation to a part of the value transferred equal to the amount which would have attracted relief under that Schedule and 20 per cent, in relation to the remainder.
- (5) In determining for the purposes of sub-paragraphs (3)(a) and (4) above whether or to what extent relief under Schedule 8 to the Finance Act 1975 would have been limited by paragraph 5 of that Schedule, that paragraph shall be construed as if references to relief given under that Schedule in respect of previous chargeable transfers included references to relief given under this Schedule by virtue of sub-paragraph (2)(b) or (4) above in respect of previous chargeable transfers made on or after 10th March 1981.
- (6) For the purposes of this Schedule the interest of one of two or more joint tenants or tenants in common (or, in Scotland, joint owners or owners in common) shall be taken to carry a right referred to in sub-paragraph (2)(a) above if the interests of all of them together carry that right.
- (7) For the purposes of this paragraph, the value transferred by a transfer of value shall be calculated as a value on which no tax is chargeable.

Minimum period of occupation or ownership

- 3 Subject to the following provisions of this Schedule, paragraph 2 above does not apply to any agricultural property unless—
- (a) it was occupied by the transferor for the purposes of agriculture throughout the period of two years ending with the date of the transfer ; or
 - (b) it was owned by him throughout the period of seven years ending with that date and was throughout that period occupied (by him or another) for the purposes of agriculture.

Replacements

- 4 (1) Where the agricultural property occupied by the transferor on the date of the transfer replaced other agricultural property, the condition stated in paragraph 3(a) above shall be treated as satisfied if it, the other property and any agricultural property directly or indirectly replaced by the other property were occupied by the transferor for the purposes of agriculture for periods which together comprised at least two years falling within the five years ending with that date.

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- (2) Where the agricultural property owned by the transferor on the date of the transfer replaced other agricultural property the condition stated in paragraph 3(b) above shall be treated as satisfied if it, the other property and any agricultural property directly or indirectly replaced by the other property were, for periods which together comprised at least seven years falling within the ten years ending with that date, both owned by the transferor and occupied (by him or another) for the purposes of agriculture.
- (3) Subject to sub-paragraph (4) below, in a case falling within sub-paragraph (1) or (2) above relief under this Schedule shall not exceed what it would have been had the replacement or any one or more of the replacements not been made.
- (4) For the purposes of sub-paragraph (3) above changes resulting from the formation, alteration or dissolution of a partnership shall be disregarded.

Occupation by company or partnership

- 5 (1) For the purposes of paragraphs 3 and 4 above, occupation by a company which is controlled by the transferor shall be treated as occupation by the transferor.
- (2) For the purposes of paragraphs 3 and 4 above, occupation of any property by a Scottish partnership shall, notwithstanding section 4(2) of the Partnership Act 1890, be treated as occupation of it by the partners.

Successions

- 6 Where the transferor became entitled to his interest on the death of his spouse on or after 10th March 1981—
 - (a) he shall for the purposes of paragraph 2(2)(b) above be deemed to have been beneficially entitled to it for any period for which his spouse was beneficially entitled to it;
 - (b) the condition set out in paragraph 2(3)(a) shall be taken to be satisfied if and only if it is satisfied in relation to his spouse; and
 - (c) the condition set out in paragraph 2(3)(b) shall be taken to be satisfied only if it is satisfied both in relation to him and in relation to his spouse.
- 7 For the purposes of paragraph 3 above, where the transferor became entitled to any property on the death of another person—
 - (a) he shall be deemed to have owned it (and, if he subsequently occupies it, to have occupied it) from the date of the death ; and
 - (b) if that other person was his spouse he shall also be deemed to have occupied it for the purposes of agriculture for any period for which it was so occupied by his spouse, and to have owned it for any period for which his spouse owned it
- 8 (1) Where—
 - (a) the whole or part of the value transferred by a transfer of value (in this paragraph referred to as the earlier transfer) was eligible for relief under this Schedule (or would have been so eligible if such relief had been capable of being given in respect of transfers of value made at that time); and
 - (b) the whole or part of the property which, in relation to the earlier transfer, was or would have been eligible for relief became, through the earlier transfer, the property of the person (or of the spouse of the person) who is the transferor in relation to a subsequent transfer of value and is at the time of the subsequent

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transfer occupied for the purposes of agriculture either by that person or by the personal representative of the transferor in relation to the earlier transfer; and

- (c) that property or part or any property directly or indirectly replacing it would (apart from paragraph 3 above) have been eligible for relief in relation to the subsequent transfer of value; and
- (d) either the earlier transfer was, or the subsequent transfer of value is, a transfer made on the death of the transferor,

the property which would have been eligible for relief but for paragraph 3 above shall be eligible for relief notwithstanding that paragraph.

- (2) Where the property which, by virtue of sub-paragraph (1) above, is eligible for relief replaced the property or part referred to in paragraph (c) of that sub-paragraph, relief under this Schedule shall not exceed what it would have been had the replacement or any one or more of the replacements not been made, but paragraph 4(4) above shall apply for the purposes of this sub-paragraph as it applies for the purposes of paragraph 4(3).
- (3) Where, under the earlier transfer, the amount of the value transferred which was attributable to the property or part referred to in sub-paragraph (1)(c) above was part only of its value, a like part only of the value which (apart from this sub-paragraph) would fall to be reduced under this Schedule by virtue of this paragraph shall be so reduced.

Shares and securities of companies

- 9 (1) Where the whole or part of the value transferred is attributable to the value of shares in or securities of a company it shall be taken for the purposes of this Schedule to be attributable (so far as appropriate) to the agricultural value of agricultural property if and only if—
 - (a) the agricultural property forms part of the company's assets and part of the value of the shares or securities can be attributed to the agricultural value of the agricultural property ; and
 - (b) the shares or securities gave the transferor control of the company immediately before the transfer.
- (2) Shares or securities shall not be regarded for the purposes of sub-paragraph (1)(b) above as giving the transferor control of a company if—
 - (a) they would not have been sufficient, without other property, to give him control of the company immediately before the transfer ; and
 - (b) their value is taken by virtue of paragraph 9A of Schedule 10 to the Finance Act 1975 to be less than the value previously determined.
- 10 Where paragraph 9 above applies, the references in paragraph 2(2)(a) and (3)(b) above to the transferor's interest shall be construed as references to the company's interest and paragraph 11 below shall apply instead of paragraph 3 above.
- 11 Subject to the following provisions of this Schedule, paragraph 2 does not apply by virtue of paragraph 9 above unless—
 - (a) the agricultural property—
 - (i) was occupied by the company for the purposes of agriculture throughout the period of two years ending with the date of the transfer ; or

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- (ii) was owned by the company throughout the period of seven years ending with that date and was throughout that period occupied (by the company or another) for the purposes of agriculture ; and
 - (b) the shares or securities were owned by the transferor—
 - (i) in a case within paragraph (a)(i) above, throughout the period there mentioned ;
 - (ii) in a case within paragraph (a)(ii) above, throughout the period there mentioned.
- 12 (1) Sub-paragraphs (1) and (2) of paragraph 4 above shall apply in relation to the conditions stated in paragraph 11 (a) above as they apply in relation to the conditions stated in paragraph 3 above, taking references to the transferor as references to the company.
- (2) Where the shares or securities owned by the transferor on the date of the transfer replaced other eligible property (that is to say, agricultural property or shares or securities the value of which is wholly or partly attributable to the value of such property) the condition stated in paragraph 11(b) above shall be treated as satisfied if the shares or securities, the other eligible property which they replaced and any eligible property directly or indirectly replaced by the other eligible property were owned by the transferor for periods which together comprised, in a case within paragraph 11(a)(i) above, at least two years falling within the five years ending with that date or, in a case within paragraph 11(a)(ii) above, at least seven years falling within the ten years ending with that date.
- (3) Sub-paragraphs (3) and (4) of paragraph 4 above shall have effect in relation to a case falling within the foregoing provisions of this paragraph as they have effect in relation to a case falling within sub-paragraphs (1) and (2) of that paragraph.
- 13 For the purposes of paragraph 11 above, a company shall be treated as having occupied the agricultural property at any time when it was occupied by a person who subsequently controls the company.

Contracts for sale

- 14 (1) Paragraph 2 above does not apply to agricultural property if at the time of the transfer the transferor has entered into a binding contract for its sale, except where the sale is to a company and is made wholly or mainly in consideration of shares in or securities of the company which will give the transferor control of the company.
- (2) Paragraph 2 above does not apply by virtue of paragraph 9 above if at the time of the transfer the transferor has entered into a binding contract for the sale of the shares or securities concerned, except where the sale is made for the purpose of reconstruction or amalgamation.

Control

- 15 Paragraph 13(7) of Schedule 4 to the Finance Act 1975 (control of company) applies for the purposes of this Schedule.

Saving

- 16 Nothing in this Schedule shall be taken to apply to the value included under section 22(5) of the Finance Act 1975 in the value of a person's estate immediately before his death.

SCHEDULE 15

Section 99.

CAPITAL TRANSFER TAX SCOTTISH AGRICULTURAL LEASES

- 1 Subject to the following provisions of this Schedule, where any part of the value of a person's estate immediately before his death is attributable to the value of the interest of a tenant in agricultural property in Scotland, being an interest held by virtue of tacit relocation, and either he had been tenant of the said property continuously for a period of at least two years immediately preceding his death or he had become tenant of the said property by succession, and the said interest is acquired on his death by a new tenant, the value of the said interest shall be left out of account in determining the value transferred on the death.
- 2 The value to be left out of account under paragraph 1 above shall not include the value of any rights to compensation in respect of tenant's improvements.
- 3 (1) Subject to the following provisions of this paragraph, where, under paragraph 1 above, the value of an interest has been left out of account in determining the value transferred on the death of a person, and the whole or any part of that interest is disposed of before being transferred on the death of any other person, tax shall be charged in accordance with paragraph 4 below.
- (2) The person liable for the tax chargeable under this paragraph shall be the person who is entitled to the consideration for the disposal or who would be so entitled if any consideration passed on the disposal.
- (3) Sub-paragraph (1) above does not apply to a disposal made by any person to his spouse.
- (4) Where tax has been charged under this paragraph on the disposal of the whole of an interest or of any part thereof, tax shall not again be charged in relation to the same death on a further disposal of the whole or, as the case may be, of the same part, of the said interest.
- 4 (1) Where tax is chargeable under paragraph 3 above it shall be charged on the following amount, namely—
- (a) if the disposal is a sale for full consideration in money or money's worth, on the net proceeds of the sale ;
- (b) in any other case on the value of the interest or of the part disposed of, as the case may be, immediately before the time of the disposal,
- and at the rate or rates at which it would have been chargeable on that death if that amount, and any amount on which tax was previously chargeable under that paragraph in relation to the death, had been included in the value transferred on death and the amount on which the tax is chargeable had formed the highest part of that value.
- (2) The tax chargeable under paragraph 3 above shall not exceed the difference between the tax chargeable on the death and the tax which would have been chargeable on

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the death had paragraph 1 above not applied and had the value of the interest formed the highest part of the value of the estate.

5 Where a disposal on which tax is chargeable under paragraph 3 above is a chargeable transfer, the value transferred by it shall be calculated as if the value of the interest in the tenancy had been reduced by the tax chargeable under that paragraph.

6 In this Schedule—

- (a) references to the value transferred on a death are references to the value transferred by the chargeable transfer made on that death; and
- (b) references to the net proceeds of sale are references to the proceeds of sale after deduction of any expenses of sale.

7 (1) This Schedule applies to deaths on or after 15th November 1976.

(2) Where a person died on or after 15th November 1976 and before the passing of this Act, this Schedule shall apply only if a claim for relief under paragraph 1 above is made within the period of twelve months immediately following the passing of this Act by a person who (apart from the operation of this Schedule) would be liable to pay the whole or part of the tax chargeable on the value transferred on the death and attributable to the said interest.

(3) Where a person died on or after 15th November 1976, paragraph 3 above shall not apply to any disposal before the passing of this Act.

SCHEDULE 16

Section 128(1).

SUPPLEMENTARY PETROLEUM DUTY

Management

1 The duty shall be under the care and management of the Board.

2 (1) The provisions of the Taxes Management Act 1970 which are applied in relation to petroleum revenue tax by paragraph 1 of Schedule 2 to the principal Act shall apply also in relation to the duty.

(2) Those provisions shall apply with the same modifications as are specified in the said paragraph 1, taking references to Part I of the principal Act as including references to Part VIII of this Act.

Returns and information

3 The particulars contained in returns made under paragraph 2 or 5 of Schedule 2 to the principal Act (returns by participators and by the responsible person for an oil field) shall be treated as furnished, and the powers conferred on the Board by paragraph 7 of that Schedule (production of accounts etc.) shall be exercisable, for the purposes of the duty as well as for the purposes of petroleum revenue tax, and accordingly references to that tax in paragraphs 3(2) and 8(1) and (2) of that Schedule (penalties) shall include references to the duty.

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Assessments and determinations

- 4 (1) Where it appears to the Board that, in accordance with Part VIII of this Act, a gross profit has accrued to a participator in a chargeable period from an oil field, they shall make an assessment to the duty on the participator and give him notice of the assessment.
- (2) Where it appears to the Board that, in accordance with Part VIII of this Act, no gross profit has accrued to a participator in a chargeable period from an oil field, they shall make a determination to that effect and give him notice of the determination.
- (3) A notice of assessment shall state that the participator may appeal against the assessment in accordance with paragraph 7 below.
- (4) After the service of the notice of assessment or the notice of determination the assessment or determination, as the case may be, shall not be altered except in accordance with the provisions applied by paragraph 2 above or the subsequent provisions of this Schedule.
- 5 (1) Where a participator has under paragraph 2 of Schedule 2 to the principal Act delivered to the Board a return for a chargeable period and the Board are satisfied that the information given in the return is correct in so far as it is material for the purpose of computing his gross profit (if any) for that period, the Board shall (in so far as the computation falls to be made by reference to the matters dealt with in the return) make the assessment or determination under paragraph 4 above in accordance with the return.
- (2) Where the Board are not so satisfied in relation to a participator's return or a participator fails to deliver to the Board a return for a chargeable period as required by the said paragraph 2, the Board shall, in so far as the computation of his gross profit (if any) for that period falls to be made by reference to the matters which were dealt with in the return or, as the case may be, ought to have been dealt with in a return, make the assessment or determination under paragraph 4 above to the best of their judgment.
- (3) Nothing in sub-paragraph (2) above or in paragraph 5 of Schedule 2 to the principal Act shall be taken, in a case where the participator has delivered a return as to which the Board are not satisfied as mentioned in sub-paragraph (1) above, to prevent the Board from basing their assessment or determination on the participator's having had an interest in oil won and saved from the field different from that on which he based his return.
- 6 (1) Where it appears to the Board—
- (a) that the gross profit charged to the duty by an assessment ought to have been larger or smaller; or
 - (b) that for any period they ought to have made an assessment to the duty instead of a determination under paragraph 4(2) above or such a determination instead of an assessment to the duty,
- the Board may make any such assessment or determination or any such amendment of an assessment as may be necessary.
- (2) Where under this paragraph the Board make an assessment or determination or amend an assessment, they shall give notice thereof to the participator concerned; and sub-paragraphs (3) and (4) of paragraph 4 above shall apply in relation to any such assessment, determination or amendment as they apply in relation to an assessment or determination under that paragraph.

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Appeals

- 7 (1) A participator may appeal to the Special Commissioners against an assessment or an amendment of an assessment made on him by notice of appeal in writing given to the Board within thirty days after the date of issue of the notice of assessment or of the amendment.
- (2) The notice of appeal shall specify the grounds of appeal, but on the hearing of the appeal the Commissioners may allow the appellant to put forward any ground not specified in the notice, and may take it into consideration if satisfied that the omission was not wilful or unreasonable.
- (3) The participator may at any time, if the Board do not object, abandon an appeal instituted by him; and for that purpose he shall notify his desire to do so to the Board who may, within thirty days after being so notified, object by notice in writing to the participator.
- (4) Where at any time between—
- (a) the giving of a notice of appeal against the assessment or the amendment of the assessment or from a decision of the Board on a claim under section 33 of the Taxes Management Act 1970 as applied by paragraph 2 above; and
 - (b) the determination of the appeal by the Special Commissioners,
- the Board and the participator agree on how the assessment, amendment or decision should be varied or on what assessment or determination should be substituted in relation to the chargeable period in question, the same consequences shall ensue as if the Commissioners had determined the appeal to that effect.
- (5) If, on the appeal against an assessment or an amendment of an assessment, it appears to the majority of the Commissioners present at the hearing that the assessment or amendment is wrong—
- (a) because no, or a smaller, gross profit has accrued for the chargeable period in question; or
 - (b) because a, or a larger, gross profit has accrued for that period,
- the Commissioners shall vary the assessment or amendment in such manner, or substitute such determination, as may be required; and it shall be for the participator to satisfy the Commissioners as to any matters within paragraph (a) above.
- (6) Save as otherwise provided by this Schedule (including the provisions applied by paragraph 2 above) the determination by the Special Commissioners of any appeal shall be final and conclusive.
- 8 (1) A participator who has given notice of appeal under paragraph 7 above against an assessment charging him with any duty for a chargeable period may, if he delivered a return for that period as required by paragraph 2 of Schedule 2 to the principal Act, withhold, until the determination or abandonment of the appeal, so much of the duty charged in the assessment as is the smaller of—
- (a) the amount of the duty so charged ; and
 - (b) duty on the difference between—
 - (i) the aggregate of the consideration received or receivable for oil as stated in the participator's return in pursuance of sub-paragraph (2) of the said paragraph 2 and, subject to sub-paragraph (2) below, the market value of oil so stated ; and
 - (ii) the aggregate of the corresponding consideration and value as included in the assessment.

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- (2) Subject to sub-paragraph (3) below, where the market value of all the oil for which a market value is stated in the participator's return is, as stated in that return, less than the value which is produced for that oil by applying to it the average price mentioned in sub-paragraph (4) below, sub-paragraph (1) above shall have effect as if, for the reference to the market value of oil as so stated, there were substituted a reference to the value which is so produced for that oil.
- (3) The comparison of values and the substitution required by sub-paragraph (2) above shall, in the case of an appeal by a participator whose return relates both to gas and to other oil, be made separately for the gas and for the other oil.
- (4) The average price referred to in sub-paragraph (2) above is the average price at which all oil included in the relevant returns as oil delivered in the period covered by the returns and disposed of in sales at arm's length was so disposed of.
- (5) The relevant returns for the purposes of sub-paragraph (4) above are all the returns of all the participators in all oil fields which—
 - (a) were made for the chargeable period preceding that to which the appeal relates ; and
 - (b) were delivered before the end of the chargeable period to which the appeal relates.
- (6) Where in determining the gross profit accruing to a participator from a field in a chargeable period the aggregate of the amounts mentioned in section 2(5)(a), (b) and (c) of the principal Act falls to be increased under section 123 of this Act (whether as respects all oil or as respects a particular kind or kinds of oil) the difference mentioned in sub-paragraph (1)(b) above (or, as the case may be, the difference so far as relating to oil of the particular kind or kinds in question) shall be increased by multiplying it by the fraction mentioned in subsection (2) of that section.

Payment

- 9 Subject to paragraphs 7 and 8 above, the duty charged in an assessment made on a participator for any chargeable period, so far as not paid under paragraphs 10 and 11 below, shall be payable by him four months after the end of that chargeable period or, if later, thirty days after the date of issue of the notice of assessment.
- 10 (1) Every participator in an oil field shall, at the time when he delivers to the Board the return for a chargeable period required by paragraph 2 of Schedule 2 to the principal Act—
 - (a) deliver to the Board a statement showing whether any, and if so what, amount of duty is payable by him under this paragraph for that period in respect of the field; and
 - (b) pay to the Board a sum equal to the amount of duty, if any, shown in the statement
- (2) The statement under sub-paragraph (1)(a) above shall be in such form as the Board may prescribe.
- (3) For the purposes of sub-paragraph (1)(a) above the duty payable by a participator for any chargeable period in respect of an oil field shall be determined by him by—
 - (a) calculating the gross profit accruing to him for that period from the field by reference to the particulars included in the return in pursuance of paragraph

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- 2(2) of Schedule 2 to the principal Act (and without regard to sections 123 and 124 of this Act);
- (b) making any addition required by section 123 of this Act;
 - (c) making the reduction required by section 124 of this Act; and
 - (d) applying to the result the percentage rate at which the duty is chargeable for the period.
- (4) The sum paid under sub-paragraph (1)(b) above shall constitute a payment on account of the duty charged in any assessment made on the participator in respect of the gross profit accruing to him for the chargeable period from the oil field ; and if the payment on account exceeds the duty so charged the excess shall be repaid to the participator.
- (5) Where a participator gives notice of appeal under paragraph 7 above against an assessment charging duty in respect of which he has made a payment on account, the amount, if any, to be repaid under sub-paragraph (4) above shall be calculated as if the duty charged in the assessment were limited to the duty which he would not be entitled to withhold under paragraph 8 above.
- 11 (1) Subject to sub-paragraphs (4) and (6) below, every participator in an oil field shall, in the third month of each chargeable period and in each of the four succeeding months, make to the Board an advance payment of duty in respect of the field for that period.
- (2) The amount of each payment shall be equal to one-fifth of the amount, if any, shown in the statement delivered by the participator under paragraph 10(1)(a) above as payable by him in respect of the field for the last chargeable period.
- (3) The aggregate of the advance payments of duty made by a participator in respect of a field for a chargeable period—
- (a) shall, to the extent to which it does not exceed the sum which sub-paragraph (1)(b) of paragraph 10 above requires him to pay when delivering his return for that period in respect of the field—
 - (i) discharge his liability to pay the whole or a corresponding part of that sum ; and
 - (ii) be treated for the purposes of sub-paragraph (4) of that paragraph as if it were, or were part of, a sum paid by him under sub-paragraph (1) (b) of that paragraph ; and
 - (b) shall, to the extent to which it exceeds the sum required to be paid as aforesaid, be repaid to him.
- (4) If in any month in a chargeable period a participator in an oil field—
- (a) has not delivered (otherwise than to the Secretary of State) any of the oil which has been won from the field and disposed of by him at any time in or before that month ; and
 - (b) has not relevantly appropriated any of the oil which has been so won by him at any such time,
- he shall be entitled to withhold the advance payment of duty (if any) in respect of the field for that period which next falls to be made by him after the end of that month.
- (5) An advance payment shall not be withheld by virtue of the conditions in sub-paragraph (4) above being fulfilled in any month unless a notice to that effect, in such form as the Board may prescribe, is given to the Board before the end of the next month and—

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- (a) where the Board are not satisfied with any such notice the powers conferred by paragraph 7 of Schedule 2 to the principal Act (production of accounts etc.) shall be exercisable as if the notice were a return under paragraph 2 of that Schedule ; and
 - (b) paragraph 8 of that Schedule (penalties) shall apply to an incorrect notice as it applies to an incorrect return under paragraph 2.
- (6) No advance payment of duty shall be made in respect of the first chargeable period to which Part VIII of this Act applies or in respect of the first chargeable period for any oil field.
- 12 Certificates of tax deposit issued by the Treasury under section 12 of the National Loans Act 1968 on terms published on or before 14th May 1979 may be used for making payments of duty; and for that purpose those terms shall have effect with the necessary modifications and as if the duty in or towards the payment of which a certificate is used were due—
 - (a) in the case of duty payable under paragraph 9 or 10 above, two months after the end of the chargeable period to which it relates ;
 - (b) in the case of duty payable under paragraph 11 above, at the end of the month in which it is required to be paid.

Interest

- 13 (1) Duty charged in an assessment for a chargeable period shall carry interest at the rate applying under paragraph 15 of Schedule 2 to the principal Act from two months after the end of the period until payment.
- (2) Any amount payable by a participator as an advance payment of duty in respect of a field for a chargeable period and not paid by him in the month in which it ought to be paid shall carry interest at the rate applying under paragraph 15 of Schedule 2 to the principal Act from the end of that month until—
 - (a) payment of the amount; or
 - (b) two months after the end of that period,whichever is the earlier.
- (3) Where under paragraph 8 above duty may be withheld until the determination or abandonment of an appeal, the interest on that duty may also be withheld until the determination or abandonment of the appeal.
- (4) Where any amount of duty charged by an assessment or paid on account of duty so charged becomes repayable, that amount shall carry interest at the rate applying under paragraph 15 of Schedule 2 to the principal Act from—
 - (a) two months after the end of the chargeable period for which the assessment was made ; or
 - (b) the date on which it was paid,whichever is the later, until repayment.
- (5) Where any amount of duty paid as an advance payment becomes repayable under paragraph 11(3)(b) above, that amount shall carry interest at the rate applying under paragraph 15 of Schedule 2 to the principal Act from—
 - (a) two months after the end of the chargeable period in respect of which it was paid ; or
 - (b) the date on which it was paid,

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whichever is the later, until repayment.

- (6) For the purposes of sub-paragraph (2) above a payment of overdue duty shall, so far as possible, be attributed to the earliest month for which duty is overdue; and for the purposes of sub-paragraphs (4) and (5) above any amount that becomes repayable shall, so far as possible, be regarded as consisting of the duty most recently paid.
- (7) In its application (by virtue of paragraph 2(1) above) to interest payable under sub-paragraph (2) above, section 69 of the Taxes Management Act 1970 shall have effect with the omission of the words "charged and due and payable under the assessment to which it relates".
- (8) Interest paid to a participator under sub-paragraph (4) or (5) above shall be disregarded in computing his income for the purposes of corporation tax.

Transfers to associated companies

- 14 In paragraph 5(2) and (4) of Schedule 3 to the principal Act (liability for petroleum revenue tax and interest in the case of transfers to associated companies) the references to tax and to interest payable under Part I of that Act shall include references to the duty and to interest payable under paragraph 13 above.

SCHEDULE 17

Section 134.

SPECIAL TAX ON BANKING DEPOSITS

PART I

THE BASE PERIOD AND CHARGEABLE DEPOSITS

The base period

- 1 (1) The base period for the purposes of section 134 of this Act ("the principal section") is the last quarter of 1980; and the average chargeable deposits held by a person in that period shall be determined by—
- (a) aggregating the chargeable deposits held by him at the close of business on 15th October, 19th November and 10th December 1980; and
 - (b) dividing the result by three.
- (2) Where a person regularly prepares statistics of the deposits held by him as at the close of business on a particular day in each month and the day in October, November or December 1980 is not that mentioned in sub-paragraph (1)(a) above, the Board may, on the application of that person, direct that for any of those days there shall be substituted the day in the month in question for which that person has prepared the statistics.
- (3) Any time at which the amount of the chargeable deposits held by a person falls to be ascertained by virtue of this paragraph is in this Schedule referred to as a material time.

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Chargeable deposits

- 2 For the purposes of the principal section and this Schedule a deposit is any sum of money paid to a person carrying on a banking business (" a deposit-taker ") on terms—
- (a) under which it will be repaid either on demand or at a time or in circumstances agreed by or on behalf of the person who paid the sum and the deposit-taker ; and
 - (b) which are not, within the meaning of subsection (6) of section 1 of the Banking Act 1979, referable to the provision of property or services or to the giving of security.
- 3 (1) Subject to the following provisions of this paragraph, a deposit is a chargeable deposit at a material time if it is then held on terms under which it does not carry interest or a premium.
- (2) The following are not chargeable deposits—
- (a) any deposit not denominated in sterling ;
 - (b) any deposit paid to the deposit-taker by a company if at the material time the deposit-taker is a subsidiary of that company, or that company is a subsidiary of the deposit-taker, or both are subsidiaries of another company ;
 - (c) where the deposit-taker is resident in the United Kingdom for the purposes of income or corporation tax, any deposit which at the material time is held at a branch of his situated outside the United Kingdom ;
 - (d) where the deposit-taker is not so resident, any deposit which at that time is held otherwise than at a branch of his situated in the United Kingdom.
- (3) In sub-paragraph (1) above the reference to interest or a premium shall not be construed as including any allowance made by the deposit-taker in calculating whether any, and if so what, bank or other charges are to be made by him to the person making the deposit.
- (4) In sub-paragraph (2)(b) above " subsidiary " shall be construed in accordance with section 154 of the Companies Act 1948 or section 148 of the Companies Act (Northern Ireland) 1960.
- (5) For the purposes of sub-paragraph (2)(c) and (d) above a deposit is held at a branch of a deposit-taker if it is recorded in his books as a liability of that branch.
- 4 (1) Where any amount of the chargeable deposits held by a deposit-taker at a material time consists of the credit balance or balances on one or more accounts which the deposit-taker treats as reducing or extinguishing the amount on which he is entitled to interest in respect of the debit balance or balances on one or more other accounts held with him at that time, that amount of chargeable deposits shall be treated as equal to its excess, if any, over that other amount.
- (2) This paragraph applies only if the other account or accounts are denominated in sterling.
- 5 (1) The amount of chargeable deposits held by a deposit-taker at any material time shall be treated as—
- (a) reduced by an amount equal to 60 per cent, of any sum which has been credited in his books to an account held with him (whether or not an account the balance on which constitutes a chargeable deposit) by reference to a cheque or other authority which is then in course of collection by him ; and

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- (b) increased by an amount equal to 60 per cent, of any sum which has been debited in his books to such an account by reference to a standing order or other authority which is then in course of transmission by him.

(2) In this paragraph " sum" means a sum denominated in sterling.

- 6 Where a person was carrying on a banking business at any time in the last quarter of 1980 but was not carrying on such a business on 10th March 1981, then, if his business was, after the first of the material times and before that date, transferred to another person who was carrying on such a business on that date, the principal section and this Schedule shall have effect as if any chargeable deposits held by the first-mentioned person at any material time had then been held by the other person.

PART II

MANAGEMENT AND COLLECTION

Management

- 7 The tax shall be under care and management of the Board.

Notice of liability

- 8 (1) Every person who is chargeable with the tax shall give notice to the Board that he is so chargeable.
- (2) The notice shall be given not later than 1st September 1981.
- (3) If any person fails to give the notice which he is required to give under this paragraph he shall be liable to a penalty not exceeding £1,000.
- (4) Any application under paragraph 1(2) above shall be included in the notice given under this section.

Returns

- 9 (1) Every person who is chargeable with the tax shall on or before 1st October 1981 deliver to the Board a return complying with the following provisions of this paragraph; and the Board may by notice in writing require any person who—
- (a) has not given a notice under paragraph 8 above ; but
- (b) in the opinion of the Board is or may be chargeable with the tax,
- to deliver such a return to the Board within such time (not being less than thirty days) as may be specified in the notice.
- (2) Subject to sub-paragraph (3) below, a return delivered under this paragraph by any person shall contain—
- (a) a statement, in relation to each material time, of the charge able deposits held by him and of—
- (i) any deposits excluded from the chargeable deposits by virtue of paragraph 3(2)(b), (c) or (d) above ;
- (ii) any adjustment of the amount of the chargeable deposits made by virtue of paragraph 4 or 5 above ;

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- (b) a computation of the amount by reference to which he is chargeable with the tax, of the total tax chargeable by reference to that amount and of the respective amounts of the tax due and payable by him on or before each of the dates mentioned in paragraph 13(1) below ; and
 - (c) such particulars of the aggregate amounts of the different kinds of deposit held by him in his banking business at each material time as the Board may require for the purposes of the tax.
 - (3) In sub-paragraph (2)(c) above the reference to a person's banking business is—
 - (a) in the case of a person who is not resident in the United Kingdom for the purposes of income tax or corporation tax, to so much of his banking business as is carried on by his branch or branches situated in the United Kingdom ;
 - (b) in the case of a person who is so resident, to his banking business exclusive of so much of it as is carried on by any branch of his which is situated outside the United Kingdom.
 - (4) A return under this paragraph shall be in such form as the Board may prescribe and shall include a declaration that it is correct and complete.
- 10 (1) If a person fails to deliver a return within the time within which he is required to deliver it under paragraph 9 above he shall be liable, subject to sub-paragraph (3) below—
- (a) to a penalty not exceeding, except in the case mentioned in sub-paragraph (2) below, £500 ; and
 - (b) if the failure continues after it has been declared by the court or the Special Commissioners before whom proceedings for the penalty have been commenced, to a further penalty not exceeding £100 for each day on which the failure so continues.
- (2) If the failure continues after the end of six months from the time by which the return ought to have been delivered, the penalty under sub-paragraph (1)(a) above shall be an amount not exceeding the aggregate of £500 and the total amount of the tax with which the person in question is chargeable.
- (3) Except in the case mentioned in sub-paragraph (2) above, a person shall not be liable to any penalty incurred under this paragraph for failure to deliver a return if the failure is remedied before proceedings for the recovery of the penalty are commenced.

Payment of tax

- 11 (1) The tax chargeable in the case of any person shall be due and payable—
- (a) as to one half, on or before 1st October 1981 ;
 - (b) as to one quarter, on or before 1st December 1981 ; and
 - (c) as to the remainder, on or before 1st February 1982,
- and shall be so due and payable whether or not an assessment to the tax has been made by the date in question.
- (2) Certificates of tax deposit issued by the Treasury under section 12 of the National Loans Act 1968 on terms published on or before 14th May 1979 may be used for paying the tax ; and for that purpose those terms shall have effect with the necessary modifications and as if the tax in or towards the payment of which a certificate is used were due as provided in sub-paragraph (1) above.

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Assessments

- 12 (1) Any tax with which a person is chargeable may be assessed on him whether or not it has been paid (in whole or in part) when the assessment is made.
- (2) The making of an assessment in respect of any tax shall not affect the date when it is due and payable.
- (3) Where a person has under paragraph 9 above delivered to the Board a return and the Board are satisfied that the information given in it with respect to his chargeable deposits is correct and complete, the Board shall make an assessment in accordance with the return.
- (4) Where the Board are not so satisfied in relation to a return, or a person fails to deliver to the Board a return as required under paragraph 9 above, any assessment made by the Board shall be made to the best of their judgment.
- (5) An assessment may be made at any time not later than 30th September 1987 except that where any form of fraud or wilful default or any neglect has been committed by or on behalf of any person in connection with or in relation to the tax, assessments on that person may, for the purpose of making good to the Crown any loss of tax attributable to the fraud, wilful default or neglect, be made at any time.
- (6) An assessment which by virtue of subsection (5) above is made after 30th September 1987 shall require the leave of a Special Commissioner given on being satisfied by an inspector or other officer of the Board that there are reasonable grounds for believing that tax has or may have been lost to the Crown owing to the fraud, wilful default or neglect of any person; and the Special Commissioner giving leave to make such an assessment shall take no part in the proceedings, and shall not be present, when any appeal against the assessment is heard or determined.
- (7) A person who is not resident in the United Kingdom may be assessed and charged with the tax in the name of any branch or agent in the United Kingdom.
- (8) Notice of any assessment shall be served on the person assessed and shall state the date on which it is issued and the time within which any appeal against the assessment may be made.
- (9) After the notice of assessment has been served on the person assessed, the assessment shall not be altered except in accordance with the following provisions of this Schedule.
- 13 (1) Where it appears to the Board that the amount of tax charged by an assessment should have been larger they may make a further assessment; and where it appears to them that the amount charged by an assessment should have been smaller they may amend the assessment accordingly.
- (2) Paragraph 12(8) and (9) above shall apply in relation to any assessment or amendment under this paragraph.

Right of appeal

- 14 (1) An appeal may be brought against an assessment to the tax by a notice of appeal in writing given to the Board within thirty days after the date of the notice of assessment.
- (2) The appeal shall be to the Special Commissioners.

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- (3) The notice of appeal against any assessment shall specify the grounds of appeal, but on the hearing of the appeal the Special Commissioners may allow the appellant to put forward any ground not specified in the notice and take it into consideration if satisfied that the omission was not wilful or unreasonable.
- (4) Subject to section 55 of the Taxes Management Act 1970 as applied by paragraph 18 below, an appeal against an assessment shall not affect the date when any tax is due.

Interest

- 15 (1) Any tax with which a person is chargeable and which is not paid by the time by which paragraph 11(1) above requires it to be paid shall carry interest from that time until payment.
- (2) Sub-paragraph (1) above applies to any such tax as is there mentioned whether or not payment of it is postponed under section 55 of the Taxes Management Act 1970 as applied by paragraph 18 below.
- (3) Any amount of tax which becomes repayable shall carry interest—
 - (a) in the case of tax in respect of which interest has been paid under sub-paragraph (1) above, from the time by which paragraph 11(1) above requires the tax to be paid until it is repaid ;
 - (b) in any other case, from the time when paragraph 11(1) above requires the tax to be paid (or, if later, the time when it is paid) until it is repaid.
- (4) The rate of interest under this paragraph for any period shall be that applying for that period for the purposes of sections 86 and 87 of the said Act of 1970.
- (5) Interest payable under sub-paragraph (1) above shall be paid without any deduction of income tax and shall not be allowed as a deduction in computing income, profits or losses for any tax purposes; and interest paid under sub-paragraph (3) above shall be disregarded in computing income, profits or losses for any such purpose.

Information

- 16 (1) Where the Board are not satisfied that the information given in a return delivered by any person under paragraph 9 above is correct and complete or a person who the Board believe to be chargeable with the tax has failed to deliver to the Board a return under that paragraph, the Board may by notice in writing require that person—
 - (a) to deliver to the Board, within such time as is specified in the notice (not being less than thirty days), copies of any such accounts, books, records or other documents whatsoever in his possession or power as may be specified or described in the notice ;
 - (b) to make available, within such time as aforesaid, for inspection by an officer authorised by the Board all such accounts, books, records or other documents whatsoever in that person's possession or power as may be so specified or described,being, in either case, accounts, books, records or documents which the Board may reasonably require to inspect for the purpose of determining whether a person is chargeable to the tax or the amount of the tax with which a person is chargeable.

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- (2) An authorised officer of the Board may take copies of, or make extracts from, any accounts, books, records or other documents made available for inspection under this paragraph.
- (3) Nothing in this paragraph shall require a person to deliver or make available for inspection any particulars of an account held by any person except the balance at any material time.

Incorrect returns, accounts, etc.

- 17 (1) Where a person fraudulently or negligently—
- (a) delivers an incorrect return under paragraph 9 above ; or
 - (b) submits under paragraph 16 above any document that is incorrect,
- he shall be liable to a penalty not exceeding the aggregate of—
- (i) £50, and
 - (ii) the amount or, in the case of fraud, twice the amount, of the difference between the tax payable and the tax that would have been payable if the return or document had been correct.
- (2) Where a return or other document was made or submitted by a person neither fraudulently nor negligently and it comes to his notice that it was incorrect, then, unless the error is remedied without unreasonable delay, the return or document shall be treated for the purpose of this paragraph as having been negligently made or submitted.
- (3) For the purposes of this paragraph any return or document made or submitted on behalf of a person shall be deemed to have been made or submitted by him unless he proves that it was submitted without his consent or connivance.
- (4) In this paragraph " document" includes accounts, books and records.

Application of Taxes Management Act

- 18 (1) The provisions of the Taxes Management Act 1970 specified in the first column of the following Table shall apply in relation to the tax as they apply in relation to a tax within the meaning of that Act subject to any modifications specified in the second column of that Table and with the substitution—
- (a) for references to Part IX of that Act, to the Taxes Act or the Income Tax Acts of references to section 134 of this Act and this Schedule ;
 - (b) for references to profits or gains, profits, income or charge able gains of references to amounts chargeable to the tax.

TABLE

<i>Provision applied</i>	<i>Modifications</i>
Section 1(3)	—
4	—
30	Omit the words after " accordingly " .
32	In subsection (1) omit " and for the same chargeable period " .

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<i>Provision applied</i>	<i>Modifications</i>
33(1)	For " six years after the end of the year of assessment (or, if the assessment is to corporation tax, the end of the accounting period) in which the assessment was made" substitute " 30th September 1987 ".
(2)	—
(3)	Omit the words after " profits of the claimant ".
(4)	—
(5)	For the words after " profits " substitute " means amounts chargeable to the tax ".
42(1)	—
(2)	—
(3)	Omit the words after " that decision ".
(4)	Substitute " (4) An appeal under this section shall lie to the Special Commissioners. "
(5)	Omit the words after " such form as the Board may determine ".
(7)	—
(8)	—
(9)	—
43(1)	For the words " within six years from the end of the chargeable period to which it relates" substitute " before 30th September 1987 ".
48	—
49(1)	—
50	Omit the proviso to subsection (5).
51	—
52	—
53	—
54	—
55(1)	Substitute " (1) This section applies to an appeal to the Special Commissioners against an assessment under paragraph 12 of Schedule 17 to the Finance Act 1981 ".
(2)	—
(3)	—
(4)	—

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<i>Provision applied</i>	<i>Modifications</i>
(5)	—
(6)	<p>For paragraphs (a) and (b) substitute:</p> <p style="padding-left: 40px;">“(a) in the case of a determination made on an application under subsection (3) above, any tax the payment of which is not postponed shall be due and payable forthwith (or, if later, on the date on which it is due and payable under paragraph 11(1) of Schedule 17 to the Finance Act 1981); and</p> <p style="padding-left: 40px;">(b) in the case of a determination made on an application under subsection (4) above, any tax the payment of which ceases to be postponed shall be due and payable forthwith (or, if later, on the date referred to in paragraph (a) above) or any tax overpaid shall be repaid, as the case may require.”</p>
(7)	—
(8)	—
(9)	For the words from "as if it were tax " to " pending " there shall be substituted the words " forthwith or, if later, on the date referred to in subsection (6)(a) above ".
(10)	Omit the words from the beginning to " was issued ; and ".
56	—
58(2)	—
(3)	Omit the reference to section 59 and for paragraphs (a) and (b) substitute " proceedings in Northern Ireland means proceedings in respect of a person whose principal place of business or head office is in Northern Ireland ".
60	In subsection (1) omit the words after " charged therewith ".
66	—

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<i>Provision applied</i>	<i>Modifications</i>
67	—
68	—
69	In paragraph (a) substitute a reference to sections 66 to 68 as applied by this paragraph.
70(1)	—
(2)	For the reference to section 86 or 87 substitute a reference to paragraph 15 of this Schedule.
71	—
74	—
75	—
83	—
98	Omit the Table and for references to any of the provisions specified in it substitute a reference to section 51 as applied by this Schedule and to paragraph 16 of this Schedule.
99	—
100(1)	Omit the words before " no proceedings ".
(2)	—
(3)	Omit the reference to the General Commissioners.
(5) to (9)	—
101	For the words after "sufficient evidence " substitute the words " of the chargeable deposits stated therein and of the excess over £15 million of the average of such deposits held in the base period ".
102	—
103(1)	—
(2)	—
(3)	Omit the words from " for any chargeable period " to " end of that chargeable period ".
104	—
105	—
107	—
108	In subsection (2) for the words from the beginning to " Acts" substitute " The tax

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<i>Provision applied</i>	<i>Modifications</i>
	chargeable under section 134 of the Finance Act 1981 ".
112	—
113(1A)	—
(1B)	—
(3)	—
114	
115(1) to (3)	—
118(1) to (3)	—

- (2) Any expression to which a meaning is given by the principal section or this Schedule and which is used in a provision of the Taxes Management Act 1970 as applied by this paragraph shall in that provision, as so applied, have the same meaning as in that section and this Schedule.

SCHEDULE 18

Section 136.

EXCHANGE CONTROL

Restriction of borrowing etc. from non-residents

- 1 (1) Except with the permission of the Treasury, no person resident in the United Kingdom shall borrow any money from a person resident outside the scheduled territories.
- (2) Except with the permission of the Treasury, no person resident in the United Kingdom shall—
- (a) issue, negotiate or transfer to a person resident outside the scheduled territories any instrument to which this sub-paragraph applies ;
 - (b) renew any such instrument which is held by a person resident outside the scheduled territories ; or
 - (c) acquire or renew any such instrument on behalf of a person resident outside the scheduled territories ;
- but a contravention of this sub-paragraph shall not affect the validity of any instrument or the rights of the parties to any transaction.
- (3) Sub-paragraph (2) above does not apply to a banknote or certificate of deposit but, with those exceptions, applies to—
- (a) any bill of exchange (including a cheque), promissory note or similar instrument;
 - (b) any other instrument which confers or evidences a right (whether conditional or unconditional) to be paid or to obtain, or to draw on any person for, a sum of money with or without interest, being a right capable of being transferred by delivery of the instrument with or without endorsement; and

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(c) any instrument (not being an instrument within paragraph (a) or (b) above) of a description which is for the time being prescribed for the purposes of that sub-paragraph,
including any such instrument as aforesaid which is governed by the law of a country outside the United Kingdom.

Deposits by borrowers from non-residents etc.

- 2 (1) Where a person resident in the United Kingdom borrows any money from a person resident outside the scheduled territories or any money, being foreign currency, from a person resident in the scheduled territories the Treasury may, subject to the provisions of this paragraph, give him directions requiring him—
- (a) to deposit with the Bank of England, within such time and in such manner as may be specified in the directions, a sum in sterling of such amount as may be so specified; and
 - (b) either so to deposit it free of interest or to pay to the Bank in respect of it a charge or charges at such rate as may be so specified.
- (2) The amount of the sum which directions under this paragraph require a person to deposit in respect of any money borrowed by him shall not exceed the prescribed amount (which may be equal to the amount of the money borrowed or to a proportion of it) and the rate of any charge which the directions require to be paid shall not exceed the prescribed rate.
- (3) Any sum which directions under this paragraph require to be deposited may at any time with the consent of the Treasury be repaid (in whole or in part) by the Bank of England; and any such sum shall, if not previously repaid, be repaid by the Bank of England—
- (a) at the expiration of such period beginning with the date of the deposit as may be specified in the directions; or
 - (b) if no period is so specified, when the Bank is satisfied that the borrowed money has been repaid ;
- and where no period is so specified and the Bank is satisfied that a proportion of the borrowed money has been repaid, a corresponding proportion of the sum deposited, so far as not already repaid, shall be repaid by the Bank.
- (4) The period which directions specify for the purposes of sub-paragraph (3)(a) above shall not exceed such maximum, if any, as may be prescribed.
- (5) Where directions given under this paragraph to any person are revoked any sum then held by the Bank of England pursuant to the directions shall be repaid to him.
- (6) Any charge required to be paid by directions under this paragraph may, if not previously paid, be deducted by the Bank of England in making a repayment to the person liable for the charge.
- (7) For the purposes of sub-paragraph (2) above the sterling equivalent of any amount of currency other than sterling shall be determined by reference to the London market spot selling rate for sterling on the last working day before the borrowed money is received or, if there is no such rate, by reference to such rate as may be specified by the Bank of England.

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Deposits by banks etc.

- 3 (1) Without prejudice to paragraph 2 above but subject to sub-paragraph (2) below, the Treasury may give directions under this paragraph to any person resident in the United Kingdom who holds deposits (in this paragraph referred to as " non-resident deposits ") which are denominated in sterling and were accepted by him from a person resident outside the scheduled territories.
- (2) No directions shall be given under this paragraph to any person other than a recognised bank or licensed institution within the meaning of the Banking Act 1979 unless he is a prescribed person or belongs to a prescribed class.
- (3) The directions given under this paragraph to any person may require him—
- (a) to deposit with the Bank of England, at such time or times and in such manner as may be specified in the directions, a sum or sums in sterling of such amount or amounts as may be determined in accordance with the directions ; and
 - (b) either so to deposit the sum or sums free of interest or to pay to the Bank in respect thereof a charge or charges at such rate, not exceeding the prescribed rate, as: may be so specified.
- (4) The amount of the sum or sums which directions under this paragraph require a person to deposit shall be determined by reference to increases in the level of the non-resident deposits held by that person; and the directions shall provide for repayments to be made to him by the Bank by reference to reductions in that level.
- (5) The method of determining whether there is any, and if so what, increase or reduction in the level of non-resident deposits held by a person shall be such as may be specified in the directions given to him but the directions shall not without his consent be so framed as to take into account any increase over a level determined by reference to any date which is more than forty-two days before the coming into force of this Schedule.
- (6) Different methods may be specified under sub-paragraph (5) above in relation to different persons; and the method specified under that sub-paragraph in relation to any person—
- (a) may make different provision in relation to different deposits, including provision for leaving particular deposits out of account;
 - (b) may provide for disregarding any increase in whole or in part in cases where it appears to the Bank of England that it is reasonable to do so.
- (7) Any charges which directions under sub-paragraph (3)(b) above require a person to pay to the Bank of England may, if the directions so provide, be deducted by the Bank from the sum for the time being held by it pursuant to the directions, and the directions may require any such deduction to be made good by that person by depositing further sums under sub-paragraph (3)(a) above.
- (8) Directions given to any person under this paragraph may require him to make such returns or give such information to the Bank of England as may be required for establishing whether any, and if so what, sums are to be deposited by or repaid to him under the directions.
- (9) Where directions given under this paragraph to any person are revoked any sum then held by the Bank of England pursuant to the directions shall be repaid to him.

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

- (10) In this paragraph " deposits ", where the reference is to nonresident deposits, means any deposit as defined in section 1 of the Banking Act 1979 except that it includes—
- (a) any sum excluded from that definition by subsection (5) of that section; and
 - (b) any sum which is paid by one branch of a business to an other and which would be a deposit if the branches were separate persons ;
- and in paragraph (b) above references to a branch of a business include references to its head office.

Supplementary

- 4 (1) The Bank of England shall pay to the Treasury sums equivalent to those deposited with it by virtue of paragraphs 2 and 3 above ; and the Treasury shall in respect of the sums paid to it under this sub-paragraph assume a liability to the Bank on such terms as to repayment or otherwise as may be agreed between the Treasury and the Bank but so that no interest on those sums shall accrue to the Bank.
- (2) Any repayment made by the Bank of England to any person by virtue of those paragraphs shall be made in such manner as may be specified in directions given under those paragraphs.
- (3) Any sums received or deducted by the Bank of England as charges payable by virtue of those paragraphs shall be paid over to the Treasury.
- (4) Any sums received by the Treasury under sub-paragraph (1) or (3) above shall be paid into the National Loans Fund ; and any sums required by the Treasury for making payments to the Bank under sub-paragraph (1) above shall be issued out of that Fund.
- (5) Different rates may be prescribed for charges under paragraph 2 above and for charges under paragraph 3 above.
- (6) Without prejudice to any provision made by an Order in Council under section 43(3) of the Exchange Control Act 1947 (Channel Islands), paragraphs 1 to 3 above shall extend to the Channel Islands with the substitution for any reference to the United Kingdom of a reference to the Channel Islands.

SCHEDULE 19

Section 139.

REPEALS

PART I

IMPORT PROCEDURES

Chapter	Short Title	Extent of Repeal
1979 c. 2.	The Customs and Excise Management Act 1979.	In section 1(1) the definition of " perfect entry ". Section 37(5)(a).

These repeals have effect from such day as may be appointed by the Commissioners of Customs and Excise by order made by statutory instrument and different days may be appointed for different repeals.

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Chapter	Short Title	Extent of Repeal
		<p>In section 43, in subsection (2)(b) the words "or, in the case of goods entered by bill of sight, perfect entry" and subsection (4).</p> <p>Section 119(2).</p> <p>In section 128(1) and (2) the words " customs or ".</p>

These repeals have effect from such day as may be appointed by the Commissioners of Customs and Excise by order made by statutory instrument and different days may be appointed for different repeals.

PART II

EXPORT PROCEDURES

Chapter	Short Title	Extent of Repeal
1979 c. 2.	The Customs and Excise Management Act 1979.	Section 60(5) to (7). Section 76.
1979 c. 58.	The Isle of Man Act 1979.	In Schedule 1, paragraphs 9, 10 and 11.

These repeals do not affect goods exported before 1st October 1981.

PART III

CUSTOMS AND EXCISE: MISCELLANEOUS

Chapter	Short Title	Extent of Repeal
1955 c. 16.	The Food and Drugs Act 1955.	In section 3(4) the words from " but" onwards.
1956 c. 30.	The Food and Drugs (Scotland) Act 1956.	In section 3(4) the words from " but" onwards.
1958 c. 27 (N.I.).	The Food and Drugs (Northern Ireland) Act 1958.	In section 3(4) the words from " but" onwards.

- The repeals in the Food and Drugs Act 1955, the Food and Drugs (Scotland) Act 1956, the Food and Drugs (Northern Ireland) Act 1958, the Licensing (Scotland) Act 1976 and Schedule 3 to the Alcoholic Liquor Duties Act 1979 and the repeals of sections 65(1) to (7), 66, 70, 84, 86(1)(a) and (2) and 89 of the said Act of 1979 have effect from 1st July 1982.
- The repeal in section 6 of the Betting and Gaming Duties Act 1972 has effect from 1st July 1981.
- The repeals in the Finance (No. 2) Act 1975 and the repeals of sections 4(2), (3), 5(2) and (3) of and Schedules 3 and 4 to the Finance Act 1980 do not affect licences taken out before 11th March 1981.
- The repeals in the Hydrocarbon Oil Duties Act 1979 have effect in relation to oil used on or after 1st January 1982.

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

Chapter	Short Title	Extent of Repeal
1969 c. 16.	The Customs Duties (Dumping and Subsidies) Act 1969.	Section 16.
1972 c. 25.	The Betting and Gaming Duties Act 1972.	In section 6(3)(b)(v) the words from " (disregarding" onwards. In Schedule 2, in paragraph 14, the words " the contravention, or as the case may be ". In Schedule 4, in paragraph 4(1) the words following the word " force " and in paragraph 17 the words " the contravention, or as the case may be ".
1974 c. 30.	The Finance Act 1974.	Section 2(1).
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 5(4). Section 6(4).
1976 c. 66.	The Licensing (Scotland) Act 1976.	Section 94. In section 139(1), in the definition of " alcoholic liquor " the words from "so" onwards and the definition of " wholesaler's excise licence ".
1979 c. 2.	The Customs and Excise Management Act 1979.	In section 94, in subsection (1), the words " Subject to subsection (2) below ", and subsection (2). Section 95(2)(a). Sections 105 and 106. In section 117(6), the words from " subject" to " spirits ".
<ol style="list-style-type: none"> 1. The repeals in the Food and Drugs Act 1955, the Food and Drugs (Scotland) Act 1956, the Food and Drugs (Northern Ireland) Act 1958, the Licensing (Scotland) Act 1976 and Schedule 3 to the Alcoholic Liquor Duties Act 1979 and the repeals of sections 65(1) to (7), 66, 70, 84, 86(1)(a) and (2) and 89 of the said Act of 1979 have effect from 1st July 1982. 2. The repeal in section 6 of the Betting and Gaming Duties Act 1972 has effect from 1st July 1981. 3. The repeals in the Finance (No. 2) Act 1975 and the repeals of sections 4(2), (3), 5(2) and (3) of and Schedules 3 and 4 to the Finance Act 1980 do not affect licences taken out before 11th March 1981. 4. The repeals in the Hydrocarbon Oil Duties Act 1979 have effect in relation to oil used on or after 1st January 1982. 		

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

Chapter	Short Title	Extent of Repeal
1979 c. 4.	The Alcoholic Liquor Duties Act 1979.	<p>In section 4(1), paragraph (b) of the definition of "retailer" and the definitions of "spirits advice note" and "spirits consignment note".</p> <p>In section 21(2), paragraph (b).</p> <p>Sections 27 to 30.</p> <p>In section 32(1) the words from " and " onwards.</p> <p>Sections 65 and 66.</p> <p>Section 68.</p> <p>Section 70.</p> <p>Section 76.</p> <p>In section 77(4) the words " or 76".</p> <p>Sections 84 to 89.</p> <p>In Schedule 3, paragraphs 1, 2, 5(2), 8(2), (3), (5) and 9(b).</p>
1979 c. 5.	The Hydrocarbon Oil Duties Act 1979.	<p>In section 17, in subsection (1) the words " unless that amount is less than £2.50" and subsection (4).</p> <p>In section 18(1) the words " in such manner as the Commissioners may direct", the words from " at any time " to " allow)" and the words "unless that amount is less than £5 ".</p> <p>In section 19, in subsection (3) the words from</p>

1. The repeals in the Food and Drugs Act 1955, the Food and Drugs (Scotland) Act 1956, the Food and Drugs (Northern Ireland) Act 1958, the Licensing (Scotland) Act 1976 and Schedule 3 to the Alcoholic Liquor Duties Act 1979 and the repeals of sections 65(1) to (7), 66, 70, 84, 86(1)(a) and (2) and 89 of the said Act of 1979 have effect from 1st July 1982.
2. The repeal in section 6 of the Betting and Gaming Duties Act 1972 has effect from 1st July 1981.
3. The repeals in the Finance (No. 2) Act 1975 and the repeals of sections 4(2), (3), 5(2) and (3) of and Schedules 3 and 4 to the Finance Act 1980 do not affect licences taken out before 11th March 1981.
4. The repeals in the Hydrocarbon Oil Duties Act 1979 have effect in relation to oil used on or after 1st January 1982.

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

PART V

CAR TAX

Chapter	Short Title	Extent of Repeal
1972 c. 41.	The Finance Act 1972.	In section 52(3) the words " has three or more wheels ". In Schedule 7, in paragraph 7(a) the words " and was not registered before it was exported " and in paragraph 1(b) the words " and is not registered ".

PART VI

INCOME TAX AND CORPORATION TAX: GENERAL

Chapter	Short Title	Extent of Repeal
1970 c. 10.	The Income and Corporation Taxes Act 1970.	In section 8(2)(b)(i) the word " and ". In section 18, in subsection (2) paragraph (c) together with the word " and " preceding it and in subsection (6) the definition of " tax-free disability payment". Sections 95 to 97. In section 188(6) the words "payment of compensation for loss of office ". In section 269(1), paragraph (c) together with the word " and " immediately preceding it. Section 451 (4).

1. The repeals in section 188 of and Schedule 8 to the Income and Corporation Taxes Act 1970 and the repeal of section 24 of the Finance Act 1978 do not affect any payment which by virtue of section 187(4) of the said Act of 1970 is treated as income received before 6th April 1981 and have effect subject to section 31(7) of this Act.
2. The repeal in section 269 of the said Act of 1970 has effect in relation to interest paid in any accounting period ending on or after 1st April 1981.
3. The repeals in section 36 of the Finance (No. 2) Act 1975 and in the Finance Act 1976 have effect for the year 1982—83 and subsequent years of assessment.
4. The repeals in Schedule 6 of the Finance Act 1978 and Schedule 13 of the Finance Act 1980 have effect as provided in section 74(6) of this Act.

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

Chapter	Short Title	Extent of Repeal
		In Schedule 8, paragraphs 3 to 5, in paragraph 6 the words in brackets, paragraphs 8 and 9, in paragraph 10 the proviso, in paragraph 11 the words from "and as if" onwards and paragraph 13.
1971 c. 68.	The Finance Act 1971.	In Schedule 6, paragraph 12.
1973 c. 51.	The Finance Act 1973.	Section 28(6)(a).
1975 c. 7.	The Finance Act 1975.	Section 11.
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 30(3). In section 36(5)((f) the words " or family ".
1976 c. 40.	The Finance Act 1976.	Section 68.
1978 c. 42.	The Finance Act 1978.	Section 24. In Schedule 6, paragraphs 2, 3, 5 and 6.
1980 c. 48.	The Finance Act 1980.	Section 27. Section 119(4). In Schedule 13, in paragraph 4 the words " and (3)" and ", of the proviso to section 3(4)".
<p>1. The repeals in section 188 of and Schedule 8 to the Income and Corporation Taxes Act 1970 and the repeal of section 24 of the Finance Act 1978 do not affect any payment which by virtue of section 187(4) of the said Act of 1970 is treated as income received before 6th April 1981 and have effect subject to section 31(7) of this Act.</p> <p>2. The repeal in section 269 of the said Act of 1970 has effect in relation to interest paid in any accounting period ending on or after 1st April 1981.</p> <p>3. The repeals in section 36 of the Finance (No. 2) Act 1975 and in the Finance Act 1976 have effect for the year 1982—83 and subsequent years of assessment.</p> <p>4. The repeals in Schedule 6 of the Finance Act 1978 and Schedule 13 of the Finance Act 1980 have effect as provided in section 74(6) of this Act.</p>		

PART VII

STOCK RELIEF

Chapter	Short Title	Extent of Repeal
1975 c. 7.	The Finance Act 1975.	Section 18. Schedule 3.
1975 c. 45.	The Finance (No. 2) Act 1975.	Section 54.

These repeals do not affect periods of account other than those mentioned in section 35(1) of this Act and have effect subject to Schedule 10 to this Act.

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Chapter	Short Title	Extent of Repeal
1976 c. 40.	The Finance Act 1976.	Schedule 10. Section 37.
1978 c. 42.	The Finance Act 1978.	Schedule 5. In section 28(5)(A) the words "and of computing relevant income under Schedule 5 to the Finance Act 1976 (stock relief)". In section 30, in subsection (7)(e) the words " and paragraph 6 of Schedule 5 to ".
1979 c. 47.	The Finance (No. 2) Act 1979.	In Schedule 4, paragraph 7. Section Schedule 3.
1980 c. 48.	The Finance Act 1980.	Section 40. Schedule 7.

These repeals do not affect periods of account other than those mentioned in section 35(1) of this Act and have effect subject to Schedule 10 to this Act.

PART VIII

CAPITAL GAINS

Chapter	Short Title	Extent of Repeal
1979 c. 14.	The Capital Gains Tax Act 1979.	Section 17. Section 19(3). In Schedule 4, in paragraphs 1(2) and 3(2), the words "and a claim" to "that Schedule ".
1980 c. 48.	The Finance Act 1980.	In section 37(3), the words from " and where " onwards.

1. The repeal of section 17 of the Capital Gains Tax Act 1979 has effect only in relation to chargeable gains accruing to trustees after 5th April 1981.
2. The repeals in section 19 of that Act and section 37 of the Finance Act 1980 have effect in relation to acquisitions and disposals on or after 10th March 1981.

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PART IX

CAPITAL TRANSFER TAX

Chapter	Short Title	Extent of Repeal
1975 c. 7.	The Finance Act 1975.	Section 30. Section 35. In Schedule 4, paragraph 16(5), (6) and (7). In Schedule 5, paragraph 5. Part I of Schedule 8. In Schedule 10, paragraph 7(2)(b).
1976 c. 40.	The Finance Act 1976.	Section 74. Section 93. Section 97. Sections 115 and 116. In section 117(1), paragraph (a) and in paragraph (b) the word "other" where it first occurs. In Schedule 14, paragraph 6.
1977 c. 36.	The Finance Act 1977.	Section 51.
1980 c. 48.	The Finance Act 1980.	In Schedule 15, paragraph 8.
		<ol style="list-style-type: none"> 1. The repeals of section 30 of, and in Schedules 4 and 5 to, the Finance Act 1975 and of section 97 of, and in Schedule 14 to, the Finance Act 1976 have effect in relation to chargeable transfers made on or after 10th March 1981. 2. The repeals of section 35 of, and Part I of Schedule 8 to, the Finance Act 1975 and section 74 of the Finance Act 1976 have effect in relation to transfers of value, distribution payments and capital distributions made on or after 10th March 1981; but they do not affect the operation of Part II of the said Schedule 8. 3. The repeal in Schedule 10 to the Finance Act 1975 has effect in relation to transfers of value made on or after 10th March 1981. 4. The repeal of section 93 of the Finance Act 1976 does not affect transfers of value made before 6th April 1981. 5. The repeals of sections 115 and 116, and in section 117, of the Finance Act 1976 have effect in accordance with section 106 of this Act. 6. The repeal of section 51 of the Finance Act 1977 has effect in relation to property transferred into settlement on or after 10th March 1981.

PART X

PETROLEUM REVENUE TAX

Chapter	Short Title	Extent of Repeal
1980 c. 1.	The Petroleum Revenue Tax Act 1980.	In the Schedule, in paragraph 4(2) the words " in relation to

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Chapter	Short Title	Extent of Repeal
		the later (or only) chargeable period comprised in a calendar year ".

PART XI

EXCHANGE CONTROL

Chapter	Short Title	Extent of Repeal
1971 c. 80.	The Banking and Financial Dealings Act 1971.	In section 2(6) the definitions of " authorised dealer in foreign currency" and " authorised dealer in gold " .

PART XII

IRISH LAND ACTS

Chapter	Short Title	Extent of Repeal
3 Edw. 7. c. 37.	The Irish Land Act 1903.	In section 33 the words " and the accounts when audited shall be laid before Parliament " .
1968 c. 13.	The National Loans Act 1968.	In section 16(9), paragraph (b) together with the word " and " preceding it.

These repeals have effect from 1st April 1982.