



# Finance Act 1984

## 1984 CHAPTER 43

### PART VI

#### MISCELLANEOUS AND SUPPLEMENTARY

##### *Miscellaneous*

#### **124 Recovery of certain tax assessed on non-residents**

(1) In paragraph 4 of Schedule 15 to the Finance Act 1973 (provisions supplementing the territorial extension of charge to tax under section 38 of that Act), after subparagraph (2) there shall be inserted the following subparagraph—

“(3) A payment in pursuance of a notice under this paragraph shall not be allowed as a deduction in computing any income, profits or losses for any tax purposes.”

(2) After that paragraph, there shall be inserted the following paragraph—

“4A (1) Subject to the following provisions of this Schedule, the power of the Board under paragraph 4 above to serve a notice in respect of tax remaining unpaid as there mentioned shall also apply where—

- (a) tax is assessed on any person not resident in the United Kingdom as mentioned in paragraph 4(1)(a) or (b) but more than one licence under the Petroleum (Production) Act 1934 is the basis for the assessment; or
- (b) tax assessed on any such person includes, but is not limited to, tax assessed on him as so mentioned (whether by reference to one or to more than one such licence);

but in any such case the amount the holder of any licence in question may be required to pay by a notice under that paragraph shall be the amount of the tax remaining unpaid under the assessment which is attributable to the profits or gains in respect of which that licence was the basis for the

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assessment, together with a corresponding proportion of any interest due as mentioned in paragraph 4(1).

- (2) For the purposes of sub-paragraph (1) above the amount of the tax remaining unpaid under the assessment which is attributable to the profits or gains in respect of which any licence in question was the basis for the assessment is such part of the total amount of that tax as bears to that total amount the same proportion as the proportion borne by the amount of the profits or gains in respect of which that licence was the basis for the assessment to the total amount of the profits or gains in respect of which the assessment was made.”
- (3) In paragraph 6 of that Schedule, after the word " apply " there shall be inserted the words " in relation to the holder of any licence ".
- (4) In paragraph 7 of that Schedule, at the end there shall be added the words " or, if the certificate is cancelled under paragraph 8 below, to any such tax which becomes due after the cancellation of the certificate in respect of profits or gains arising while the certificate is in force (referred to below in this Schedule as pre-cancellation profits or gains) ".
- (5) After paragraph 7 of that Schedule, there shall be inserted the following paragraph—
- “7A (1) Paragraph 7 above is subject to the following provisions of this paragraph in any case where—
- (a) after the cancellation of a certificate issued to the holder of a licence under that paragraph tax is assessed as mentioned in paragraph 4(1)(a) or (b) above on the person who applied for the certificate ; and
  - (b) the relevant profits or gains include (but are not limited to) pre-cancellation profits or gains.
- (2) In this paragraph " the relevant profits or gains " means—
- (a) in a case where the amount of the tax remaining unpaid under the assessment which, but for paragraph 7 above, the holder of the licence could be required to pay by a notice under paragraph 4 above (referred to below in this paragraph as the amount otherwise applicable in his case) is the whole of the amount remaining unpaid, all the profits or gains in respect of which the assessment was made; or
  - (b) in a case where the amount otherwise applicable in his case falls under paragraph 4A above to be determined by reference to profits or gains in respect of which the licence was the basis for the assessment, the profits or gains in question.
- (3) In any case to which this paragraph applies, the amount the holder of the licence may be required to pay by a notice under paragraph 4 shall be the amount otherwise applicable in his case reduced by the amount of the tax remaining unpaid under the assessment which is attributable to the pre-cancellation profits or gains, together with a corresponding proportion of any interest due as mentioned in paragraph 4(1).
- (4) For the purposes of sub-paragraph (3) above the amount of the tax remaining unpaid under the assessment which is attributable to the pre-cancellation profits or gains is such part of the amount otherwise

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applicable in the case of the holder of the licence as bears to the whole of the amount otherwise so applicable the same proportion as the proportion borne by the amount of the pre-cancellation profits or gains to the total amount of the relevant profits or gains.”

(6) After paragraph 8 of that Schedule, there shall be inserted the following paragraph—

“8A (1) For the purposes of paragraphs 4A and 7A above and this paragraph, profits or gains in respect of which an assessment is made as mentioned in paragraph 4(1)(a) or (b) above are profits or gains in respect of which any licence in question was the basis for the assessment if those profits or gains fall within paragraph 4(1)(a) or (b) by reference to that licence.

(2) In determining—

- (a) for the purposes of paragraph 4A(2) or 7A(4) above, the amount of the profits or gains in respect of which any licence was the basis for an assessment; or
- (b) for the purposes of paragraph 7A(4) above, the amount of any pre-cancellation profits or gains;

the Board shall compute that amount as if for the purposes of making a separate assessment in respect of those profits or gains on the person on whom the assessment was made, making all such allocations and apportionments of receipts, expenses, allowances and deductions taken into account or made for the purposes of the actual assessment as appear to the Board to be just and reasonable in the circumstances.

(3) A notice under paragraph 4 above as it applies by virtue of paragraph 4A or 7A above shall give particulars of the manner in which the amount required to be paid was determined.

(4) References in paragraphs 4A, 7 and 7A above and in this paragraph to profits or gains include chargeable gains.”

(7) In section 3(4) of the Oil Taxation Act 1975 (items excluded from allowable expenditure under that section for any oil field)—

- (a) the word " or" at the end of paragraph (d) shall be omitted; and
- (b) after paragraph (e) there shall be inserted the following words—

“or

- (f) any payment made in pursuance of a notice under paragraph 4 of Schedule 15 to the Finance Act 1973 (provisions supplementing the territorial extension of charge to tax under section 38 of that Act).”

(8) Schedule 15 to the Finance Act 1973 shall apply as modified by subsections (2) and (3) above in any case where a period of thirty days relevant for the purposes of the service of a notice under paragraph 4 of that Schedule in relation to any tax expires on or after 12th March 1984.

## 125 Local loans

(1) For section 4 of the National Loans Act 1968: (power to make local loans) there shall be substituted the following section—

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**“4 Limit for local loans.**

- (1) The aggregate of—
- (a) any commitments of the Loan Commissioners outstanding in respect of undertakings entered into by them to grant local loans; and
  - (b) any amount outstanding in respect of the principal of any local loans ;
- shall not at any time exceed £28,000 million or such other (lower or higher) sum, not exceeding £35,000 million, as the Treasury may from time to time specify by order made by statutory instrument
- (2) No order shall be made under this section unless a draft of it has been laid before and approved by a resolution of the Commons House of Parliament.”
- (2) In section 3 of that Act—
- (a) in subsection (5), the words from " and" to " future Act" shall be omitted ; and
  - (b) in subsection (11), for the words from the beginning to "those " there shall be substituted the words " Subject to the limit in this Act, the Loan Commissioners may make loans of the descriptions ".

**126 Tax exemptions in relation to designated international organisations**

- (1) Where—
- (a) the United Kingdom or any of the Communities is a member of an international organisation ; and
  - (b) the agreement under which it became a member provides for exemption from tax, in relation to the organisation, of the kind for which provision is made by this section;
- the Treasury may, by order made by statutory instrument, designate that organisation for the purposes of this section.
- (2) Where an organisation has been so designated, the provisions mentioned in subsection (3) below shall, with the exception of any which may be excluded by the designation order, apply in relation to that organisation.
- (3) The provisions are—
- (a) a person not resident in the United Kingdom shall not be liable to income tax in respect of income from any security issued by the organisation if he would not be liable but for the fact that—
    - (i) the security or income is issued, made payable or paid in the United Kingdom or in sterling ; or
    - (ii) the organisation maintains an office or other place of business in the United Kingdom ;
  - (b) any security issued by the organisation shall be taken, for the purposes of capital transfer tax and capital gains tax, to be situated outside the United Kingdom; and
  - (c) no stamp duty shall be chargeable under the heading " Bearer Instrument" in Schedule 1 to the Stamp Act 1891 on the issue of any instrument by the organisation or on the transfer of the stock constituted by, or transferable by means of, any instrument issued by the organisation.

## **127 Special and General Commissioners**

- (1) Schedule 22 to this Act shall have effect for the purpose of making provision in relation to the Special and General Commissioners.
- (2) This section and Part XIII of Schedule 23 to this Act shall come into operation on such day as the Lord Chancellor may by order made by statutory instrument appoint, and different days may be so appointed for different provisions and for different purposes.

## **128 Short title, interpretation, construction and repeals**

- (1) This Act may be cited as the Finance Act 1984.
- (2) In this Act "the Taxes Act" means the Income and Corporation Taxes Act 1970.
- (3) Part II of this Act, so far as it relates to income tax, shall be construed as one with the Income Tax Acts, so far as it relates to corporation tax, shall be construed as one with the Corporation Tax Acts and, so far as it relates to capital gains tax, shall be construed as one with the Capital Gains Tax Act 1979.
- (4) Part III of this Act shall be construed as one with Part III of the Finance Act 1975.
- (5) Part V of this Act shall be construed as one with Part I of the Oil Taxation Act 1975 and references in Part V of this Act to the principal Act are references to that Act.
- (6) The enactments specified in Schedule 23 to this Act are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision at the end of any Part of that Schedule.