



# Finance Act 1987

## CHAPTER 16

### FINANCE ACT 1987

#### PART 1

#### CUSTOMS AND EXCISE AND VALUE ADDED TAX

##### CHAPTER I

##### CUSTOMS AND EXCISE

###### *Duties of excise*

- 1 Unleaded petrol.
- 2 Part I Vehicles excise duty.
- 3 Abolition of general betting duty on on-course bets.
- 4 Gaming machine licence duty: rates.
- 5 Gaming machine licence duty: other amendments.

###### *Amendments of the Management Act*

- 6 Access to approved wharves and transit sheds.
- 7 Powers of search and access etc. in respect of vehicles. 1979 c. 2.
- 8 Local export control.
- 9 Records relating to importation and exportation.
- 10 Information powers.

##### CHAPTER II

##### VALUE ADDED TAX

- 11 Accounting for and payment of tax.

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1987. (See end of Document for details)*

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- 12 Credit for input tax.
- 13 Supplies abroad etc.
- 14 Registration.
- 15 Supplies to groups.
- 16 Tour operators.
- 17 Valuation of supplies at less than market value.
- 18 Issue of securities.
- 19 Interpretation and miscellaneous further amendments.

## PART II

### INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

#### CHAPTER I

##### GENERAL

- 20–39 .....
- 40 Unit trusts: miscellaneous amendments.
- 41–46 .....

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- 47 .....

## PART III

### STAMP DUTY AND STAMP DUTY RESERVE TAX

#### *Stamp duty*

- 48 Unit trusts.
- 49 Contract notes.
- 50 Warrants to purchase Government stock, etc.
- 51 Bearer instruments relating to stock in foreign currencies
- 52 Clearance services
- 53 Borrowing of stock by market makers
- 54 Shared ownership transactions.
- 55 Crown exemption.
- 56 Stamp duty reserve tax

## PART IV

### INHERITANCE TAX

- 57 Reduced rates of tax.
- 58 Securities, other business property and agricultural property.
- 59 Maintenance funds for historic buildings etc.
- 60 Acceptance in lieu: waiver of interest.

## PART V

### OIL TAXATION

- 61 Nomination of disposals and appropriations.
- 62 Market value of oil to be determined on a monthly basis.

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- 63 Blends of oil from two or more fields.
- 64 Relief for research expenditure.
- 65 Cross-field allowance of certain expenditure incurred on new fields.
- 66 Oil allowance: adjustment for final periods.
- 67 Variation of decisions on claims for allowable expenditure.

## PART VI

### MISCELLANEOUS AND SUPPLEMENTARY

- 68 Abolition of enactments relating to exchange control.
- 69 Regulation of financial dealings.
- 70 Arrangements specified in Orders in Council relating to double taxation relief etc.
- 71 .....
- 72 Short title, interpretation, construction and repeals.

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## SCHEDULES

### SCHEDULE 1 — Vehicles Excise Duty

#### Part

I. ....

#### Part II — RECOVERY VEHICLES

##### *Interpretation*

- 1 .....
- 2 .....
- 3 .....
- 4 .....

##### *Exclusion of recovery vehicles from trade licences*

- 5 .....
- 6 .....

#### Part III — MISCELLANEOUS AMENDMENTS

##### *Introductory*

- 7 .....

##### *Additional liability for evasion of duty*

- 8 .....
- 9 .....
- 10 .....
- 11 .....
- 12 .....
- 13 .....

##### *Offences relating to trade licences*

- 14 .....
- 15 .....

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*Regulations concerning transfer etc. of vehicles*

- 16 .....  
17 .....

*Increase of certain penalties for offences under regulations*

- 18 .....  
19 .....

*Dishonoured cheques*

- 20 In subsection (3) of section 102 of the Customs and...  
21 .....

SCHEDULE 2 — Amendments of Value Added Tax Act 1983

*Supplies received from abroad*

- 1 Section 7 of the principal Act (reverse charge on supplies...  
2 .....

*Transfers of going concerns*

- 3 In section 33 of the principal Act (transfers of going...

*Appeals*

- 4 In section 40(1) of the principal Act (appeals) for paragraph...

SCHEDULES 3—

6.....

SCHEDULE 7 — Stamp Duty Reserve Tax

- 1 Part IV of the Finance Act 1986 shall be amended...

*Principal charge*

- 2 (1) In section 87, after subsection (7) there shall be...

*Renounceable letters of allotment, etc.*

- 3 (1) In section 88(3)(a), after the words “subsection (2)” there...

*Market makers in options*

- 4 (1) In section 89, after subsection (1) there shall be...

*Clearance services*

- 5 (1) In section 90, for subsection (5) there shall be...

*Charities etc.*

- 6 (1) In section 90, at the end there shall be...

*Interest on tax repayments*

- 7 (1) In section 92, after subsection (4) there shall be...

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SCHEDULE 8 — Securities, Other Business Property and Agricultural Property

- 1 In section 10 of the 1984 Act (dispositions not intended...
- 2 In section 98 of the 1984 Act (effect of alterations...
- 3 In section 100 of the 1984 Act (alterations of capital...
- 4 In section 104 of the 1984 Act (relief for business...
- 5 .....
- 6 .....
- 7 .....
- 8 (1) In section 113A of the 1984 Act (application of...
- 9 In section 124A of the 1984 Act (application of agricultural...
- 10 In section 136 of the 1984 Act (transactions of close...
- 11 In section 140(2) of the 1984 Act (market value for...
- 12 (1) In section 168 of the 1984 Act (unquoted shares...
- 13 (1) In section 178 of the 1984 Act (sale of...
- 14 In section 180 of the 1984 Act (effect of purchases)...
- 15 (1) In section 227 of the 1984 Act (payment by...
- 16 (1) In section 228 of the 1984 Act (shares etc....
- 17 In section 272 of the 1984 Act (general interpretation) after...
- 18 (1) In Schedule 20 to the Finance Act 1986 (gifts...

SCHEDULE 9 — Maintenance Funds for Historic Buildings etc.

- 1 The following section shall be inserted after section 57 of...
- 2 At the end of paragraph 3 of Schedule 4 to...
- 3 After paragraph 15 of that Schedule there shall be inserted—...
- 4 Paragraph 1 above shall have effect in relation to deaths...
- 5 Paragraph 2 above shall have effect in relation to directions...
- 6 Paragraph 3 above shall have effect where the occasion of...

SCHEDULE 10 — Nomination Scheme for Disposals and Appropriation

*Interpretation*

- 1 (1) In this Schedule— “month” means calendar month; “nominal volume”...

*Transactions which may be nominated*

- 2 (1) The proposed transactions which may be nominated by a...

*Period for which nomination has effect*

- 3 (1) Subject to sub-paragraph (3) below, a nomination shall have...

*Timing of nominations*

- 4 (1) If a nomination is made during business hours it...

*Content of nomination*

- 5 (1) The requirements of this paragraph for a nomination in...
- 5A (1) The requirements of this paragraph for a nomination in...
- 5B (1) A nomination of a transaction shall not be effective...

*Nominated price*

- 6 (1) Subject to sub-paragraph (3) below, in the case of...

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*Nominal volume*

- 7 (1) Subject to sub-paragraph (3) below, in the case of...

*Revision of nominations*

- 8 Nomination Scheme for Disposals and Appropriation

*Effective volume for nominated transactions*

- 9 Nomination Scheme for Disposals and Appropriation

*Aggregate effective volume for a month*

- 10 Nomination Scheme for Disposals and Appropriation

*Aggregate nominated proceeds for a month*

- 11 Nomination Scheme for Disposals and Appropriation

*Blended oil*

- 12 (1) If a person is a participator in two or...

*Interpretation*

- 12A For the purposes of section 61 and this Schedule—

*Returns*

- 13 In paragraph 2 of Schedule 2 to the principal Act...

SCHEDULE 11 — Market Value of Oil

Part I — AMENDMENTS OF PARAGRAPHS 2, 2A AND 3 OF SCHEDULE 3 TO  
PRINCIPAL ACT

- 1 (1) Paragraph 2 of Schedule 3 (definition of market value...  
2 In paragraph 2A of that Schedule (modifications in the case...  
3 In paragraph 3 of that Schedule (aggregate market value of...  
Part II — CONSEQUENTIAL AMENDMENTS OF PRINCIPAL ACT  
4 In section 5A (allowance of exploration and appraisal expenditure) in...  
5 In section 12 (interpretation) in subsection (1) in the definition...  
6, 7 Market Value of Oil

SCHEDULE 12 — Supplementary Provisions as to Blended Oil

*Interpretation*

- 1 (1) In this Schedule— “ HMRC ” means Her Majesty's...

*Method of allocation not suitable*

- 2 (1) This paragraph applies if it appears to HMRC that—...

*Appeals*

- 3 (1) Where HMRC give notice to the participators in the...  
4 Any method or amended method of allocation having effect by...

SCHEDULE 13 — Relief for Research Expenditure  
Part I — SECTION TO BE INSERTED AFTER SECTION 5A OF THE PRINCIPAL ACT

Allowance of research expenditure. (1) Subject to the following provisions of this section and...

Part II — AMENDMENTS RELATING TO THE NEW ALLOWANCE

*The principal Act*

- 1 In section 2(9) of the principal Act (amounts to be...
- 2 In section 3 of that Act, in subsection (3) (expenditure...
- 3 In section 9 of that Act (limit on amount of...
- 4 In paragraph 2 of Schedule 2 to that Act (returns...
- 5 (1) In Schedule 7 to that Act (claim for allowance...

*The Petroleum Revenue Tax Act 1980*

- 6 In the Schedule to the Petroleum Revenue Tax Act 1980...

*The Finance Act 1980*

- 7 In Schedule 17 to the Finance Act 1980 (transfers of...

*The Finance Act 1981*

- 8 In section 111 of the Finance Act 1981 (restriction of...

*The Finance Act 1984*

- 9 (1) In section 113 of the Finance Act 1984 (restriction...

Part III — RECEIPTS TO BE SET AGAINST ALLOWABLE EXPENDITURE

- 10 In this Part of this Schedule— “allowable expenditure” means expenditure...
- 11 (1) A return made by a participator for a chargeable...
- 12 (1) This paragraph applies where— (a) a claim for allowable...

SCHEDULE 14 — Cross-Field Allowance

Part I — ELECTIONS

*General*

- 1 (1) An election shall be made in such form as...

*Earliest date for an election*

- 2 (1) No election may be made in respect of an...

*Latest date for election*

- 3 (1) Subject to sub-paragraph (2) below, an election by a...

*Two or more elections relating to same expenditure*

- 4 Where more than one election is made in respect of...

Part II — EFFECT ON RECEIVING FIELD

- 5 (1) In relation to an election, the assessment to tax...
- 6 In any case where— (a) an election is made in...

*Changes to legislation: There are currently no known outstanding effects for the Finance Act 1987. (See end of Document for details)*

- 7 In any case where, following the giving of a notice...  
Part III — RELEVANT NEW FIELDS AND ASSOCIATED COMPANIES

*Relevant new fields*

- 8 (1) For the purposes of the principal section “relevant new...  
9 (1) In paragraph 8 above “development” means—

*Associated companies*

- 10 (1) For the purposes of the principal section, a company...  
Part IV — SUPPLEMENTAL AND CONSEQUENTIAL PROVISIONS

*Notice of variation reducing expenditure qualifying for supplement*

- 11 (1) This paragraph applies in any case where—

*Elections following variation increasing expenditure qualifying for supplement*

- 12 (1) In any case where— (a) an amount of expenditure...

*Limit on amount of tax payable in respect of receiving field*

- 13 (1) Where an election has been made by a participator,...

SCHEDULE 15 — Pre-Consolidation Amendments: Income Tax and Corporation Tax

1–11 . . . . .

*The Interpretation Act 1978 (c. 30)*

- 12 In Schedule 1 to the Interpretation Act 1978 for the...  
13–17 . . . . .

SCHEDULE 16 — Repeals

Part I — VEHICLES EXCISE DUTY

- 1 The repeals in section 16 of each of the Vehicles...  
2 The remaining repeals have effect in accordance with section 2(8)...

Part II — BETTING AND GAMING DUTIES

- 1 The repeal in section 1 of the Betting and Gaming...  
2 The repeal in the Finance Act 1982 has effect with...  
3 The remaining repeals have effect with respect to gaming machine...

Part III — MANAGEMENT OF CUSTOMS AND EXCISE

Part IV — VALUE ADDED TAX

Part V — INCOME TAX AND CORPORATION TAX: GENERAL

- 1 The repeals in section 86 of the Taxes Management Act...  
2 Subject to section 37(2) of this Act, the repeals in...  
3 The repeals in Schedule 9 to the Finance Act 1978, ...  
4 The repeals of section 27 of the Finance Act 1981...

Part VI — UNIT TRUSTS

Part VII — INCOME TAX AND CORPORATION TAX: PRE-CONSOLIDATION AMENDMENTS

Part VIII — STAMP DUTY

- 1 The repeals in section 30 of the Finance Act 1967...  
2 The remaining repeals shall come into force on the day...

Part IX — INHERITANCE TAX



Part X — OIL TAXATION

Part XI — EXCHANGE CONTROL

- 1 The repeal of the Exchange Control Act 1947 does not...
- 2 The repeal of section 150(5) of the Capital Gains Tax...

**Changes to legislation:**

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