



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

An Act to consolidate certain of the enactments relating to income tax and corporation tax, including certain enactments relating also to capital gains tax; and to repeal as obsolete section 339(1) of the Income and Corporation Taxes Act 1970 and paragraphs 3 and 4 of Schedule 11 to the Finance Act 1980. [9th February 1988]

Editorial Information

X1 EDITORIAL NOTE

The originating text of this Act is derived from the 1990 edition of The Taxes Acts edited by the Inland Revenue and published by Her Majesty's Stationery Office. The style of editing followed in older versions of the revised text may therefore differ from that applicable to most other Acts published in the online edition of the revised statutes. Any references in older footnote annotations to Vol. 1, 2 etc. are to the Volumes of that 1990 edition.

References to Acts in sidenotes and footnote annotations may be abbreviated. The main abbreviations used are listed below. Where a reference to an Act consists of the year, or the year and a series number (such as "1975", or "1975 (No. 2)", etc.), without any following letter(s) in parentheses, the reference is in most cases to the Finance Act, or Finance (No. 2) Act, etc., of that year. Exceptions to this are 1952, 1970, and 1988 (as to which see the list below).

ABBREVIATIONS USED IN SIDENOTES AND FOOTNOTES

- 1828 (R.S.) = Revenue Solicitors Act 1828 (c. 25, SIF 57)
- 1890 (I.R.R.) = Inland Revenue Regulation Act 1890 (c. 21, SIF 63:1)
- 1952 = Income Tax Act 1952 (c. 10, SIF 63:1)
- 1968 (C) = Capital Allowances Act 1968 (c. 3)
- 1970 (M) = Taxes Management Act 1970 (c. 9, SIF 63:1)
- 1970 = Income and Corporation Taxes Act 1970 (c. 10, SIF 63:1)
- 1970 (F) = Finance Act 1970 (c. 24, SIF 63:1,2)
- 1970 (No.2) = Income and Corporation Taxes (No.2) Act 1970 (c. 54)
- 1975 (O) = Oil Taxation Act 1975 (c. 22) (and similarly as respects subsequent years)
- 1976 (D) = Development Land Tax Act 1976 (c. 24)
- 1977 (I.T.R.) = Finance (Income Tax Reliefs) Act 1977 (c. 53)
- 1979 (C) = Capital Gains Tax Act 1979 (c. 14, SIF 63:2)
- 1984 (C) = Capital Transfer Tax Act 1984/Inheritance Tax Act 1984 (c. 51, SIF 65)
- 1988 = Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1)
- 1988 (F) = Finance Act 1988 (c. 39, SIF 63:1,2)

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1990 (C) = Capital Allowances Act 1990 (c. 1, SIF 63:1)

O.J. = Official Journal of the European Communities

SIF = Statutes in Force, the official hard-copy predecessor to the online statutes (and any following numbers refer to the relevant volume)

Modifications etc. (not altering text)

- C1** General amendments, modifications, etc. to Tax Acts (or Income Tax Acts or Corporation Taxes Acts as the case may be):
- Taxes Management Act 1970 (c.9, SIF 63:1), **s. 41A(7)** (as added by Finance Act 1990 (c.29, SIF 63:1), **s. 95(1)(2)**);
- British Telecommunications Act 1981 (c.38, SIF 96), **s. 82(2)(7)**;
- Telecommunications Act 1984 (c.12, SIF 96), **s. 72(3)**;
- Finance Act 1984 (c.43, SIF 63:1), ss. 82(6), 85(2), 89(1)(7), 96(1)(7), 98(7), Sch. 9 para. 3(2)(9), Sch. 16 paras. 6, **12**;
- Finance Act 1985 (c.54, SIF 63:1), ss. 72(1), 74(5), **Sch. 23 para. 15(4)**;
- The Income Tax (Entertainers and Sportsmen) Regulations 1987 (S.I. 1987/530), **regs. 11(2)**, 13(1), 14;
- Income and Corporation Taxes Act 1988 (c.1, SIF 63:1), ss. 4, 6, 7, 9, 32, 34, 78, 134, 135, 141, 142, 185, 191, 193, 194, 195, 200, 203, 209, 212, 213, 219, 247, 253, 272, 287, 314, 315, 317, 318, 325, 326, 327, 345, 350, 351, 368, 375, 381, 397, 414, 432, 440, 442, 446, 458, 460, 461, 463, 463(2)(3) (as added by Finance Act 1990 (c.29, SIF 63:1), **s. 50(2)**), 468, 474, 475, 486, 490, 491, 503, 511, 518, 524, 532, 544, 550, 556, 558, 569, 572, 582, 595, 601, 613, 617, 619, 621, 639, 656, 660, 663, 676, 689, 691, 694, 700, 701, 714, 716, 739, 743, 754, 763, 776, 780, 781, 782, 787, 789, 811, 828, 829, 832, 833, 834, 835, 837, 838, 839, 840, 841, 842, Sch. 2 para. 5, Sch. 4 para. 5, Sch. 13 para. 10, Sch. 16 para. 10, Sch. 21 para. 6, Sch. 26 para. 1, **Sch. 27 para. 20**;
- Finance Act 1988 (c.39, SIF 63:1), ss. 66, 127(1)(6), **Sch. 12 para. 6**;
- Electricity Act 1989 (c. 29, SIF 44:1), s. 90, **Sch. 11 para. 8(2)**; S.I. 1990/117, art. 3, **Sch. 1**;
- Capital Allowances Act 1990 (c.1, SIF 63:1), **ss. 28(1)**, 68(8), 74, 82, 83(5), 148(5), 163(4), 164(2); S.I. 1990/627;
- Finance Act 1990 (c.29, SIF 63:1), **s. 25(10)**;
- Income and Corporation Taxes Act 1988 (c. 1, SIF 63:1), **s. 84(3)** (having effect with respect to gifts made on or after 19.3.1991), s. 587A(2)(3) (with application as referred to in Finance Act 1991 (c.31, SIF 63:1), s. 54, **Sch. 12 para. 5** (if the new securities are issued on or after 19.3.1991)), s. 736A, Sch. 23A paras. 2(2), 3(2), 4(4), 5(2), **7(1)**;
- Ports Act 1991 (c. 52, SIF 58), **s. 35(8)**;
- The Official Listing of Securities (Change of Competent Authority) Regulations 1991 (S.I. 1991/2000), **regs. 1(1)**, 4(5);
- British Technology Group Act 1991 (c.66, SIF 64), **s.12(1)(3)(4)**; S.I. 1991/2721, **art.2**;
- The Social Security (Contributions) Regulations 1979 (S.I. 1979/591), **Sch. 1 reg. 28** (as substituted by S.I. 1992/97, **reg. 18**);
- Social Security Contributions and Benefits Act 1992 (c. 4), ss. 16, 177(4), **Sch.2** (with s. 108(5));
- Taxation of Chargeable Gains Act 1992 (c. 12), **ss. 209(3)**, 289 (with ss. 60, 101(1), 171, 201(3)) (with effect for the year 1992-93 and subsequent years of assessment);
- The Lloyd's Underwriters (Tax) (1989-90) Regulations 1992 (S.I. 1992/511), **reg.3** (with effect for the year of assessment 1989-90);
- Finance (No. 2) Act 1992 (c. 48), ss. 66, 77, Sch. 12 paras. 6(2), 7, **Sch. 17 para.9**;
- The Lloyd's Underwriters (Tax) (1990-91) Regulations 1993 (S.I. 1993/415), **regs. 1(1)**, 3(1) (with effect for the year of assessment 1990-91);
- Finance Act 1993 (c. 34), s. 78(3)-(5), 118(1), 146(2)(3), 165, 175, Sch. 20 paras. 8, **9(1)**;
- Finance Act 1993 (c. 34), **ss. 172(1)**, 176(1), 179(4)(5), 180(1)(a)(2), 182(2), 184(3) (with effect for the year 1992-93 and subsequent years of assessment);
- Agriculture Act 1993 (c. 37), ss. 12, 36, Sch. 2, paras. 1, 2(1), 3(2), 16(2)(a), **Sch. 4 para. 1(1)**;

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The Income Tax (Manufactured Overseas Dividends) Regulations 1993 (S.I. 1993/2004), **regs. 1, 4(1), 5(1), 7(1), 8, 11(7)**;
Finance Act 1994 (c. 9), ss. 139(1)(2), 173(2)(b)(4)(a)(b), 174, Sch. 25 paras. 2, **6(1)(2)**;
Finance Act 1994 (c. 9), s. 252(1)(3), Sch. 24 paras. 1(4), 12(2), 15(1)(b), 18(1)-(4), 20(1)(a)(3), **25(1)** (with retrospective effect to 11.1.1994);
Coal Industry Act 1994 (c. 21), ss. 21, 68(4), Sch. 4 paras. 11(1), 14, 17(2)-(4), **19(1)(a)(3)**; S.I. 1994/2189, art. 2, **Sch.**;
The Lloyd's Underwriters (Tax) (1991-92) Regulations 1994 (S.I. 1994/728), **reg.3** (with effect for the year of assessment 1991-92);
Finance Act 1995 (c. 4), **ss. 152**, 157(12);
Finance Act 1995 (c. 4), **s. 154** (with retrospective effect to 29.11.1994);
Income and Corporation Taxes Act 1988 (c. 1), **Sch. 5A** (as inserted by Finance Act 1995 (c. 4), s. 85(2)(3), **Sch. 19**);
Crown Agents Act 1995 (c. 24), **s. 7(3)-(5)**;
Atomic Energy Authority Act 1995 (c. 37), s. 8, Sch. 3 paras. 1, 2, 7, **13**;
Gas Act 1995 (c. 45), s. 17(1)(2), Sch. 5 paras. 1, **10(1)-(3)**;
The Friendly Societies (Taxation of Transfers of Business) Regulations 1995 (S.I. 1995/171), **reg. 3**;
The Lloyd's Underwriters (Tax) Regulations 1995 (S.I. 1995/351), **reg. 4** (with regs. 5-8 and S.I. 1995/352, **regs. 6-12**, 14, 15);
The Lloyd's Underwriters (Tax) (1992-93 to 1996-97) Regulations 1995 (S.I. 1995/352), **regs. 1, 4** (with regs. 6-12, 14, 15 and S.I. 1995/351, **regs. 5-8**) (with effect for the years of assessment 1992-93 to 1996-97);
The Income Tax (Manufactured Dividends) (Tradeport) Regulations 1995 (S.I. 1995/2052), **regs. 1, 10**;
Finance Act 1996 (c. 8), ss. 81(1), 151(1), 152, 154(2)(5)(9), Sch. 10 para. 4(2), **Sch. 11 para. 4(4)**;
Income and Corporation Taxes Act 1988 (c. 1), **s. 689A(2)** (as inserted by Finance Act 1996 (c. 8), Sch. 6 paras. 16, **28**);
Broadcasting Act 1996 (c. 55), Sch. 7 paras. 1(3), 18, **27**;
Finance Act 1997 (c. 16), s. 79(3), Sch. 7 paras. 2(1)(3), 3(2)(5), **7(2)**;
Income and Corporation Taxes Act 1988 (c. 1), Sch. 23A paras. 3, **8(2A)** (as substituted and inserted respectively by Finance Act 1997 (c. 16), Sch. 10 paras. 11(1), 13(3), **16**);
Capital Allowances Act 1990 (c. 1), **ss. 28A**, 29(1)(1A) (as inserted and substituted respectively by Finance Act 1997 (c. 16), Sch. 15 paras. 3, 4);
Finance (No. 2) Act 1997 (c. 58), s. 29(1), **Sch. 6 para. 23**;
Income and Corporation Taxes Act 1988 (c. 1), **s. 1A(5)** (as substituted by Finance (No. 2) Act 1997 (c. 58), **s. 31(4)(6)**);
The Friendly Societies (Modification of the Corporation Tax Acts) Regulations 1997 (S.I. 1997/473), **reg. 3** (as amended by S.I. 2001/3629, **art. 165(2)(a)**; S.I. 2004/822, **reg. 4**);
The Open-ended Investment Companies (Tax) Regulations 1997 (S.I. 1997/1154), **regs. 1, 3-23** (as amended by S.I. 1997/1715);
The Lloyd's Underwriters (Scottish Limited Partnerships) (Tax) Regulations 1997 (S.I. 1997/2681), **regs. 1, 9**;
Teaching and Higher Education Act 1998 (c. 30), **s. 22(5)(g)**;
Finance Act 1998 (c. 36), ss. 30(3), 31(2), 32(8), 46, 47(3)(a), 117, 161(2)(b)(7), **Sch. 18**;
Income and Corporation Taxes Act 1988 (c. 1), ss. 65A(3), 70A(3), 596C, 754(2), **Sch. 28AA para. 6(2)(b)** (as inserted or substituted (as the case may be) by Finance Act 1998 (c. 36), ss. 38, 93(3)(4), 108(5)(6), Sch. 5 paras. 24, 25, 73, Sch. 16, Sch. 17 paras. 9(4), **37**);
Regional Development Agencies Act 1998 (c. 45), **s. 38**; S.I. 1998/2952, **art. 2(2)**;
Scotland Act 1998 (c. 46), **s. 73(2)**; S.I. 1998/3178, art. 2(2), **Sch. 3**;
The European Single Currency (Taxes) Regulations 1998 (S.I. 1998/3177), **regs. 1, 21**;
Finance Act 1999 (c. 16), **s. 68(4)**;
Income and Corporation Taxes Act 1988 (c. 1), **s. 469A** (as inserted by Finance Act 1999 (c. 16), **s. 68(1)(3)**);

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Commonwealth Development Corporation Act 1999 (c. 20), **ss. 6(2)(c)**, 16(1)(4)(c)(5);
 Finance Act 2000 (c. 17), **Sch. 14 para. 43**;
 Income and Corporation Taxes Act 1988 (c. 1), **s. 587B(2)(b)** (as inserted by Finance Act 2000 (c. 17), **s. 43(1)(3)**);
 Capital Allowances Act 2001 (c. 2), **ss. 253(4)**, 260(5), 579, **Sch. 3 paras. 54, 55**;
 Income and Corporation Taxes Act 1988 (c. 1), **s. 118ZA** (as substituted by Finance Act 2001 (c. 9), **s. 75(1)(6)**);
 Finance Act 2002 (c. 23), **ss. 55(2)-(4)(7)**, 83(1)(a)(3), **Sch. 26 para. 51**;
 Income Tax (Earnings and Pensions) Act 2003 (c. 1), **ss. 56**, 566(2), 723(1) (with s. 48(2), **Sch. 7**);
 Finance Act 2003 (c. 14), **ss. 148(1)-(5)**, 150, 195;
 The Taxation of Benefits under Government Pilot Schemes (Return to Work Credit and Employment Retention and Advancement Schemes) Order 2003 (S.I. 2003/2339), **arts. 1, 3**;
 Finance Act 2004 (c. 12), **ss. 51**, 188(7), 192(8)(10), 205(7), 206(7), 207(7), 208(8), 215(11), 227(5), 254(7), 255(3), 284(1) (with **Sch. 36**);
 Finance Act 2002 (c. 23), **Sch. 26 para. 36(2)** (as substituted by Finance Act 2004 (c. 12), s. 52(1)(3), **Sch. 10 para. 62**);
 Income and Corporation Taxes Act 1988 (c. 1), **s. 837C** (as inserted by Finance Act 2004 (c. 12), **Sch. 27 paras. 1, 3**);
 Income and Corporation Taxes Act 1988 (c. 1), **Sch. 19B para. 15(2)** (as inserted by Finance Act 2004 (c. 12), **Sch. 38**);
 Energy Act 2004 (c. 20), **ss. 27(10)**, 28(5), 29(6), 30(6), 38(2), 44(5), **Sch. 9 para. 37(3)**; S.I. 2004/2575, art. 2(1), **Sch. 1**;
 Horserace Betting and Olympic Lottery Act 2004 (c. 25), **ss. 4(1)**, 5(3)(c)(4); S.I. 2011/462, **art. 2**;
 The Taxation of Benefits under Government Pilot Schemes (Working Neighbourhoods Pilot and In Work Credit) Order 2004 (S.I. 2004/575), **art. 3**;
 Finance Act 2005 (c. 7), **ss. 41(4)**, 50, 53, 54, 56, 83(1);
 Railways Act 2005 (c. 14), **Sch. 10 para. 34(2)**; S.I. 2005/1444, art. 2(1), **Sch. 1**; S.I. 2005/1909, art. 2, **Sch.**;
 Finance (No. 2) Act 2005 (c. 22), **ss. 7(2)**, 8, 9;
 Finance Act 1988 (c.39), **s. 66A(2)(4)** (as inserted by Finance (No. 2) Act 2005 (c. 22), **s. 60(1)(3)**);
 The Pension Protection Fund (Tax) (2005-06) Regulations 2005 (S.I. 2005/1907), **reg. 4**;
 The Friendly Societies (Modification of the Corporation Tax Acts) Regulations 2005 (S.I. 2005/2014), **reg. 3**;
 The Donations to Charity by Individuals (Appropriate Declarations) (Amendment) Regulations 2005 (S.I. 2005/2790), **regs. 6, 7**;
 The Pension Protection Fund (Tax) Regulations 2006 (S.I. 2006/575), **reg. 4**;
 Telecommunications Act 1984 (c. 12), **s. 72(3)** (as substituted by S.I. 2006/745, **art. 2**);
 The Group Relief for Overseas Losses (Modification of the Corporation Tax Acts for Non-resident Insurance Companies) Regulations 2006 (S.I. 2006/3218), **regs. 1(1)(2)**, 2-12;
 The Group Relief for Overseas Losses (Modification of the Corporation Tax Acts for Non-resident Insurance Companies) (No. 2) Regulations 2006 (S.I. 2006/3389), **regs. 1(1)(2)**, 2-10 (as amended by S.I. 2007/2147, **regs. 1-6**);
 Income Tax Act 2007 (c. 3), **ss. 414**, 466, 467, 473(5)(6), 474, 477, 513(4), 573, 576, 578, 586(2), 597(2), 711(2), 959, 963(4), 970(1), 988-1016 (Pt. 16) (with **Sch. 2**);
 Income Tax (Earnings and Pensions) Act 2003 (c. 1), **s. 61G** (as inserted by Finance Act 2007 (c. 11), s. 25, **Sch. 3 para. 4**);
 Consumers, Estate Agents and Redress Act 2007 (c. 17), **Sch. 4 para. 11**; S.I. 2007/3546, art. 3, **Sch.**;
 The Corporation Tax (Taxation of Films) (Transitional Provisions) Regulations 2007 (S.I. 2007/1050), **regs. 1, 3-12** (as amended by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 2 para. 131** (with **Sch. 2 Pts. 1, 2**));
 The Securitisation Companies (Application of Section 83(1) of the Finance Act 2005: Accounting Standards) Regulations 2007 (S.I. 2007/3338), **reg. 3**;
 The Taxation of Insurance Securitisation Companies Regulations 2007 (S.I. 2007/3402), **regs. 1, 6**;

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Income and Corporation Taxes Act 1988 (c. 1), **s. 461D(4)** (as inserted by Finance Act 2008 (c. 9), **Sch. 18 para. 3**);
Income Tax (Trading and Other Income) Act 2005 (c. 5), **s. 840A(3)** (as inserted by Finance Act 2008 (c. 9), Sch. 7 paras. 69, **81**);
Crossrail Act 2008 (c. 18), **Sch. 13 para. 3(2)(4)**;
The Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/964), **regs. 69Z15(2)**, 69Z16(2), 69Z17(2) (as inserted by S.I. 2008/705, **reg. 5**);
The Friendly Societies (Transfers of Other Business) (Modification of the Corporation Tax Acts) Regulations 2008 (S.I. 2008/1942), **regs. 1-7**;
The Group Relief for Overseas Losses (Modification of the Corporation Tax Acts for Non-resident Insurance Companies) Regulations 2008 (S.I. 2008/2646), **regs. 1, 2**;
Corporation Tax Act 2009 (c. 4), **ss. 2(4)**, 3, 294(2), 481(2), 490(2), 509(2), 515, 516(1), 521(4)(e)(5), 539(6), 540(3), 545, 550, 592(3), 593(2), 608(7), 799(1)(b), 802(2), 855(7)(8), 969, 1273, 1329 (with Sch. 2);
Income and Corporation Taxes Act 1988 (c. 1), **s. 230A** (as inserted by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 100**);
Finance Act 2009 (c. 10), **s. 25**;
Corporation Tax Act 2009 (c. 4), **s. 521B(2)** (as inserted by Finance Act 2009 (c. 10), Sch. 24 paras. 4, **12-16**);
The Education (Student Loans) (Repayment) Regulations (Northern Ireland) 2009 (S.R. 2009/128), **regs. 1(1)**, 4, 26(2);
The Education (Student Loans) (Repayment) Regulations 2009 (S.I. 2009/470), **regs. 1**, 4-7, 31(2);
The Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/964), **reg. 69Z61** (as inserted by S.I. 2009/2036, **reg. 24**);
The Mutual Societies (Transfers of Business) (Tax) Regulations 2009 (S.I. 2009/2971), **regs. 1(1)(2)**, 4;
The Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001), **regs. 1**, 16(2), 94 (with Sch. 1);
Corporation Tax Act 2010 (c. 4), **ss. 128**, 620, 624, 625, 778, 784, 786, 876, 950(5), 996(1)(2), 1070, 1071, 1166 (with Sch. 2);
Taxation (International and Other Provisions) Act 2010 (c. 8), **s. 79(2)**, 192, 220 (with ss. 213, 214, Sch. 9 paras. 1-9);
Income Tax Act 2007 (c. 3), **s. 809CZB(2)** (as inserted by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 5 para. 7 (with **Sch. 9 paras. 1-9**));
Finance Act 2011 (c. 11), s. 53(5)(7)-(10), Sch. 2 paras. 53(4), **54(6)**;
The Taxation of Equitable Life (Payments) Order 2011 (S.I. 2011/1502), **arts. 1, 3**;
Finance Act 2012 (c. 14), **ss. 69(b)**, 71(3), 72, 142(1)(b), 143(1)(b), 144(1), 148, 151, 152, 158(5), 166(5)(6), 167(4) (with Sch. 17);
Corporation Tax Act 2010 (c. 4), **ss. 793(8)**, 812(5A) (as inserted by Finance Act 2012 (c. 14), **s. 22(2)-(4)**);
Taxation (International and Other Provisions) Act 2010 (c. 8), **s. 371SO(2)** (as inserted by Finance Act 2012 (c. 14), **Sch. 20 para. 1**);
Small Charitable Donations Act 2012 (c. 23), **ss. 15**, 21(1);
The Bank Levy (Double Taxation Relief) Regulations 2012 (S.I. 2012/458), **regs. 1**, 13;
The Bank Levy (Double Taxation Arrangements) (Federal Republic of Germany) Regulations 2012 (S.I. 2012/459), **regs. 1(1)(2)**, 11;
Income Tax Act 2007 (c. 3), **Pt. 11ZA** (ss. 614ZA-614ZD) (as inserted by Finance Act 2013 (c. 29), Sch. 29 paras. 1, **51**);
Corporation Tax Act 2010 (c. 4), **Pt. 17A** (ss. 814A-814D) (as inserted by Finance Act 2013 (c. 29), Sch. 29 paras. 2, **51**);
The Taxation of Regulatory Capital Securities Regulations 2013 (S.I. 2013/3209), **regs. 1**, 3 (with reg. 8);
Finance Act 2014 (c. 26), **s. 223(8)(9)(a)**;
Corporation Tax Act 2009 (c. 4), **s. 490(2)** (as substituted by Finance Act 2014 (c. 26), **s. 27(3)(7)-(9)**);

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- Corporation Tax Act 2010 (c. 4), **s. 329N(2)** (as inserted by Finance Act 2014 (c. 26), Sch. 14 paras. 1, 4);
- Social Security Contributions and Benefits Act 1992 (c. 4), **s. 11A(1)(3)** (as inserted by National Insurance Contributions Act 2015 (c. 5), Sch. 1 paras. 3, 35);
- Social Security Contributions and Benefits (Northern Ireland) Act 1992 (c. 7), **s. 11A(1)(3)** (as inserted by National Insurance Contributions Act 2015 (c. 5), Sch. 1 paras. 12, 35);
- Finance Act 2015 (c. 11), **ss. 99(2)**, 116;
- Taxes Management Act 1970 (c. 9), **ss. 12ZH**, 12ZI, 59AB (as inserted by Finance Act 2015 (c. 11), Sch. 7 paras. 43, 51, 60);
- The Education (Postgraduate Master's Degree Loans) Regulations 2016 (S.I. 2016/606), **regs. 1**, 67(1);
- The Bank Levy (Double Taxation Relief) (Single Resolution Fund Levy) Regulations 2016 (S.I. 2016/1212), **regs. 1**, 16;
- Income Tax (Earnings and Pensions) Act 2003 (c. 1), **s. 61R** (as inserted by Finance Act 2017 (c. 10), Sch. 1 paras. 9, 16);
- Finance Act 2012 (c. 14), **ss. 124A(6)**, 124B(7), 124C(7) (as inserted by Finance (No. 2) Act 2017 (c. 32), Sch. 4 paras. 26, 190-192);
- Corporation Tax Act 2010 (c. 4), **ss. 303B(5)**, 303C(7), 303D(6), 321(2A) (as inserted by Finance (No. 2) Act 2017 (c. 32), Sch. 4 paras. 48, 52(3), 190-192);
- Taxes Management Act 1970 (c. 9), **ss. 28A(8)**, 28B(9) (as inserted by Finance (No. 2) Act 2017 (c. 32), Sch. 15 paras. 12(6), 13(6), 44);
- Finance Act 1998 (c. 36), **Sch. 18 para. 32(4)** (as inserted by Finance (No. 2) Act 2017 (c. 32), Sch. 15 paras. 28(4), 44)
- Finance Act 2019 (c. 1), **Sch. 3 paras. 7, 9, 12, 13**;
- Corporation Tax Act 2009 (c. 4), **s. 420A(2)** (as inserted by Finance Act 2019 (c. 1), Sch. 20 paras. 2, 10(a), 16);
- Capital Allowances Act 2001 (c. 2), **s. 270HE** (as inserted by The Capital Allowances (Structures and Buildings Allowances) Regulations 2019 (S.I. 2019/1087), **regs. 1, 2**
- C2** Act (except ss. 201 and 684) amended (1.1.1992) by S.I. 1991/2684, **arts. 2, 4**, Sch. 1
- C3** Act: Coal Industry Act 1994 (c. 21), **Sch. 4 Pt. 1** to be construed as one with this Act (19.9.1994) by virtue of ss. 21, 68(4) of, and Sch. 4 para. 1(2) to, that Act); S.I. 1999/2189, art. 2, **Sch.**
- C4** Act modified (17.9.2004 with effect in accordance with reg. 1 of the modifying S.I.) by The Overseas Life Insurance Companies Regulations 2004 (S.I. 2004/2200), **regs. 3, 4**
- C5** Act modified (12.8.2005 with effect in accordance with reg. 1(2) of the modifying S.I.) by The Friendly Societies (Modification of the Corporation Tax Acts) Regulations 2005 (S.I. 2005/2014), **reg. 7**
- C6** Act modified (1.4.2006 with effect in accordance with reg. 1(2) of the modifying S.I.) by The Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/964), **reg. 94** (as amended by S.I. 2008/3159, **regs. 1(2)(4)**, 28)
- C7** Act modified (31.12.2006 with effect in accordance with reg. 1 of the modifying S.I.) by The Overseas Life Insurance Companies Regulations 2006 (S.I. 2006/3271), **regs. 1, 3-18** (as amended by: S.I. 2007/2146, **regs. 1, 3-13**; S.I. 2007/3449, **regs. 1, 3-6**; S.I. 2008/1924, **regs. 1, 3-12**)
- C8** Act modified (with effect in accordance with Sch. 4 para. 2(2)-(4) of the modifying Act) by Finance Act 2007 (c. 11), **Sch. 4 para. 3**
- C9** Act modified (14.8.2007 with effect in accordance with reg. 1(2)(3) of the modifying S.I.) by The Insurance Companies (Tax Exempt Business) Regulations 2007 (S.I. 2007/2145), **regs. 3-12**
- C10** Act modified (21.2.2009) by The Banking Act 2009 (Parts 2 and 3 Consequential Amendments) Order 2009 (S.I. 2009/317), art. 3, **Sch.**
- C11** Act applied (1.4.2010 with effect in accordance with s. 1184(1) of the affecting Act) by Corporation Tax Act 2010 (c. 4), **s. 853**
- C12** Act amended by Finance Act 2010 (c. 13), **Sch. 8 para. 8(2)(4)**
- C13** Act amended (2006-07) by Finance (No. 3) Act 2010 (c. 33), **Sch. 14 para. 3(5)**

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- C14** Act applied (with modifications) (1.10.2010) by [The Employment and Support Allowance \(Transitional Provisions, Housing Benefit and Council Tax Benefit\) \(Existing Awards\) \(No. 2\) Regulations 2010 \(S.I. 2010/1907\)](#), regs. 1(2), 16(2)(c), [Sch. 2](#)
- C15** Act amended by [Finance Act 2012 \(c. 14\)](#), [Sch. 15 para. 17\(4\)\(5\)](#)
- C16** Corporation Tax Acts modified (14.7.2022) by [Energy \(Oil and Gas\) Profits Levy Act 2022 \(c. 40\)](#), [s. 11\(1\)-\(4\)](#) (with ss. 15(1), 16(1))

PART 1

THE CHARGE TO TAX

Income tax

1 The charge to income tax.

^{F1}

Textual Amendments

- F1** [S. 1](#) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 2](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F2}1A Application of lower rate to income from savings and distributions.

^{F3}]

Textual Amendments

- F2** [S. 1A](#) inserted (with effect in accordance with s. 73(3) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [s. 73\(1\)](#)
- F3** [S. 1A](#) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 2](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F4}1B Rates of tax applicable to [^{F5}distribution] income etc.

^{F6}

Textual Amendments

- F4** [S. 1B](#) inserted (with effect in accordance with s. 31(6) of the amending Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), [s. 31\(5\)](#)
- F5** Words in [s. 1B](#) sidenote substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 4\(5\)](#) (with [Sch. 2](#))
- F6** [S. 1B](#) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 2](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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2 Fractions of a pound, and yearly assessments.

F7

Textual Amendments
F7 S. 2 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 2, [Sch. 3 Pt. 1](#) (with Sch. 2)

3 Certain income charged at basic rate.

F8

Textual Amendments
F8 S. 3 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 3, [Sch. 3 Pt. 1](#) (with Sch. 2)

4 Construction of references in Income Tax Acts to deduction of tax.

F9

Textual Amendments
F9 S. 4 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 4, [Sch. 3 Pt. 1](#) (with Sch. 2)

5 Date for payment.

F10

Textual Amendments
F10 S. 5 repealed (with effect in accordance with s. 199(2) and Sch. 26 Pt. 5(23) Note 2 of the amending Act) by [Finance Act 1994 \(c. 9\)](#), s. 258, [Sch. 26 Pt. 5\(23\)](#); S.I. 1998/3173, [art. 2](#)

Corporation tax

6 The charge to corporation tax and exclusion of income tax and capital gains tax.

- (1) F11
- (2) F11
- (3) F11
- (4) F12
- [^{F13}(4A) ^{F14}

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F15(5)

Textual Amendments

- F11 S. 6(1)-(3) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 2\(2\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F12 S. 6(4) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 2](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F13 S. 6(4A) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 6](#) (with [Sch. 2](#))
- F14 S. 6(4A) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 2\(4\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F15 S. 6(5) repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 7 para. 36](#), [Sch. 10 Pt. 12](#) (with [Sch. 9 Pt. 1](#))

7 Treatment of certain payments and repayment of income tax.

F16

Textual Amendments

- F16 S. 7 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 3](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

8 General scheme of corporation tax.

F17

Textual Amendments

- F17 S. 8 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 3](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F18}8A Resolutions to reduce corporation tax.

F19]

Textual Amendments

- F18 S. 8A inserted (27.7.1993) by [1993 c. 34, s. 206\(2\)](#)
- F19 S. 8A repealed (29.4.1996) by [Finance Act 1996 \(c. 8\), ss. 138, 205, Sch. 24 para. 10](#), [Sch. 41](#)

9 Computation of income: application of income tax principles.

(1) ^{F20}

(2) ^{F20}

[^{F21}(2A) ^{F20}

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- (2B) ^{F20}
- (2C) ^{F20}]
- (3) ^{F20}
- (4) ^{F20}
- (5) Where ^{F22} . . . any enactment applies both to income tax and to corporation tax—
 - (a) it shall not be affected in its operation by the fact that they are distinct taxes but, so far as is consistent with the Corporation Tax Acts, shall apply in relation to income tax and corporation tax as if they were one tax, so that, in particular, a matter which in a case involving two individuals is relevant for both of them in relation to income tax shall in a like case involving an individual and a company be relevant for him in relation to that tax and for it in relation to corporation tax; and
 - (b) for that purpose references in any such enactment to a relief from or charge to income tax, or to a specified provision of the Income Tax Acts shall, in the absence of or subject to any express adaptation, be construed as being or including a reference to any corresponding relief from or charge to corporation tax, or to any corresponding provision of the Corporation Tax Acts.
- (6) ^{F23}

Textual Amendments

F20 S. 9(1)-(4) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 4(2), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F21 S. 9(2A)-(2C) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 7(2)** (with Sch. 2)

F22 Words in s. 9(5) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 4(3), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F23 S. 9(6) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 4(4), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Modifications etc. (not altering text)

C17 S. 9 restricted (24.3.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **ss. 881, 883(3)** (b) (with Sch. 2)

10 Time for payment of tax.

^{F24}

Textual Amendments

F24 S. 10 repealed (with effect in accordance with s. 199(2) of the amending Act) by Finance Act 1994 (c. 9), s. 258, **Sch. 26 Part 5(23)**, Note 4; S.I. 1998/3173, **art. 2**

11 Companies not resident in United Kingdom.

[^{F25}(1) ^{F26}

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- (2) ^{F26}
- (2A) ^{F26}]
- (3) ^{F27}
- (4) ^{F27}

Textual Amendments

- F25** S. 11(1)-(2A) substituted for s. 11(1)(2) (with effect in accordance with s. 149(6) of the amending Act) by Finance Act 2003 (c. 14), s. 149(1)
- F26** S. 11(1)-(2A) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 5, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
- F27** S. 11(3)(4) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 4, Sch. 3 Pt. 1 (with Sch. 2)

[^{F28} 11AA Determination of profits attributable to permanent establishment

- ^{F29}

Textual Amendments

- F28** S. 11AA inserted (with effect in accordance with s. 149(6) of the amending Act) by Finance Act 2003 (c. 14), s. 149(2)
- F29** S. 11AA repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 6, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

12 Basis of, and periods for, assessment.

- (1) ^{F30}
- (2) ^{F30}
- (3) ^{F30}
- (4) ^{F30}
- (5) ^{F30}
- [^{F31}(5A) ^{F30}]
- [^{F32}(5B) ^{F33}]
- (6) ^{F30}
- (7) ^{F30}
- [^{F34}(7ZA) ^{F30}]
- [^{F35}(7A) ^{F36}]
- [^{F37}(7B) ^{F38}
- ^{F38}

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F39]

[^{F40}[^{F41}(7C) ^{F36}]]

(8) Where it appears to the inspector that the beginning or end of any accounting period of a company is uncertain, he may make an assessment on the company for such period, not exceeding 12 months, as appears to him appropriate, and that period shall be treated for all purposes as an accounting period of the company unless either—

- (a) the inspector on further facts coming to his knowledge sees fit to revise it; or
- (b) on an appeal against the assessment in respect of some other matter the company shows the true accounting periods;

and if on an appeal against an assessment made by virtue of this subsection the company shows the true accounting periods, the assessment appealed against shall, as regards the period to which it relates, have effect as an assessment or assessments for the true accounting periods, and there may be made such other assessments for any such periods or any of them as might have been made at the time when the assessment appealed against was made.

[^{F42}(9) ^{F43}]

Textual Amendments

- F30** S. 12(1)-(7ZA) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 7, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F31** S. 12(5A) inserted (with effect as mentioned in Sch. 4 para. 11(4) of the amending Act) by Finance Act 1996 (c. 8), s. 79, **Sch. 24 para. 11(3)**
- F32** S. 12(5B) inserted (with effect in accordance with Sch. 41 para. 5(1) of the amending Act) by Finance Act 2003 (c. 14), **Sch. 41 para. 1(3)**
- F33** S. 12(1)-(7ZA) repealed (with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 7, **Sch. 3 Pt. 1** (with Sch. 2 Pt. 12)
- F34** S. 12(7ZA) inserted (with effect in accordance with Sch. 41 para. 5(1) of the amending Act) by Finance Act 2003 (c. 14), **Sch. 41 para. 1(5)**
- F35** S. 12(7A) inserted by Finance Act 1990 (c. 29), s.48, **Sch.9 para.3** (in relation to transfers of business on or after 1.11.1990)
- F36** S. 12(7A)(7C) omitted (19.2.2008 with effect in accordance with art. 1(2) of the repealing S.I.) by virtue of The Insurance Business Transfer Schemes (Amendment of the Corporation Tax Acts) Order 2008 (S.I. 2008/381), **arts. 1(1), 3**
- F37** S. 12(7B) inserted (with effect in accordance with art. 14(4) of the amending S.I.) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), **art. 14(3)**
- F38** S. 12(7B): words and definition of "contracts of long-term insurance" repealed (with effect in accordance with Sch. 10 para. 17(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 10 para. 14(2)(a), **Sch. 27 Pt. 2(10)**, Note
- F39** S. 12(7B): definition of "insurance business transfer scheme" repealed (with effect in accordance with Sch. 9 para. 17(1) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 9 para. 1(2)(a), **Sch. 27 Pt. 2(9)**, Note
- F40** S. 12(7C) inserted (with effect in accordance with Sch. 9 para. 20(7) of the amending Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 9 para. 20(3)**
- F41** S. 12(7C) substituted (with effect in accordance with Sch. 9 para. 17(1) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 9 para. 3(2)**
- F42** S. 12(9) inserted (with effect in accordance with Sch. 10 para. 2 of the amending Act) by Finance Act 2006 (c. 25), **Sch. 10 para. 43(2)**

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F43 S. 12(9) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 7, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Small companies' rate

13 Small companies' relief.

F44

Textual Amendments

F44 Ss. 13-13A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 5, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F45} 13ZA Interpretation of section 13(7)

F46

Textual Amendments

F45 S. 13ZA inserted (with application in accordance with s. 86(6) of the amending Act) by Finance Act 2001 (c. 9), s. 86(5)

F46 Ss. 13-13A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 5, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F47} 13AA Corporation tax starting rate.

F48

Textual Amendments

F47 S. 13AA inserted (with effect in accordance with s. 28(6)(7) of the amending Act) by Finance Act 1999 (c. 16), s. 28(1)

F48 S. 13AA repealed (with effect in accordance with s. 26(8)-(11) of the repealing Act) by Finance Act 2006 (c. 25), s. 26(1), **Sch. 26 Pt. 3(1)**, Note

[^{F49} 13AB The non-corporate distribution rate

F50

Textual Amendments

F49 S. 13AB inserted (with effect in accordance with s. 28(4)(5) of the amending Act) by Finance Act 2004 (c. 12), s. 28(1)(6)

F50 S. 13AB repealed (with effect in accordance with s. 26(8)-(11) of the repealing Act) by Finance Act 2006 (c. 25), s. 26(2), **Sch. 26 Pt. 3(1)**, Note

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[^{F51}13A Close investment-holding companies.

^{F52}

Textual Amendments

- F51** S. 13A inserted (in relation to accounting periods beginning after 31 March 1989) by [Finance Act 1989 \(c. 26\), s. 105\(2\)\(3\)](#)
- F52** Ss. 13-13A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 5, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Advance corporation tax

14 Advance corporation tax and qualifying distributions.

^{F53}

Textual Amendments

- F53** S. 14 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 6, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

The six Schedules

15 Schedule A.

^{F54}

Textual Amendments

- F54** S. 15 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 8, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

^{F55}16 Schedule B.

.....

Textual Amendments

- F55** S. 16 repealed (with effect from 6.4.1988) by [Finance Act 1988 \(c. 39\) s.148, Sch.14 Pt. V](#)

^{F56}17 Schedule C.

.....

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Textual Amendments

F56 S. 17 repealed (with effect in accordance with Sch. 7 para. 32 and Sch. 41 Pt. 5(2) Note of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), ss. 79, 205, [Sch. 7 para. 3](#), [Sch. 41 Pt. V\(2\)](#), Note (with Sch. 7 paras. 33-35)

18 Schedule D.

F57

Textual Amendments

F57 S. 18 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 9](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

19 Schedule E.

F58

Textual Amendments

F58 S. 19 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 6 para. 6](#), [Sch 8 Pt. 1](#) (with [Sch. 7](#))

20 Schedule F.

F59

Textual Amendments

F59 S. 20 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 10](#), [Sch. 3](#) (with [Sch. 2](#))

PART II

[^{F60}PROVISIONS RELATING TO THE SCHEDULE A CHARGE]

Textual Amendments

F60 Pt. 2 heading substituted (with effect as mentioned in s. 38(2)(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), s. 38(1), [Sch. 5 para. 3](#) (with [Sch. 5 para. 73](#))

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General

[^{F61}21 Persons chargeable and basis of assessment.

^{F62}

Textual Amendments

- F61** Ss. 21-21B substituted (with effect as mentioned in s. 38(2)(3) of the amending Act) for s. 21 by Finance Act 1998 (c. 36), s. 38(1), **Sch. 5 para. 4** (with Sch. 5 paras. 73, 76)
- F62** S. 21 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by **Income Tax (Trading and Other Income) Act 2005** (c. 5), Sch. 1 para. 11, **Sch. 3** (with Sch. 2)

[^{F63}21A Computation of amount chargeable.

^{F64}

Textual Amendments

- F63** Ss. 21-21B substituted (with effect as mentioned in s. 38(2)(3) of the amending Act) for s. 21 by Finance Act 1998 (c. 36), s. 38(1), **Sch. 5 para. 4** (with Sch. 5 paras. 73, 76)
- F64** S. 21A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by **Corporation Tax Act 2009** (c. 4), Sch. 1 para. 10, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

21B Application of other rules applicable to Case I of Schedule D.

^{F65}

Textual Amendments

- F63** Ss. 21-21B substituted (with effect as mentioned in s. 38(2)(3) of the amending Act) for s. 21 by Finance Act 1998 (c. 36), s. 38(1), **Sch. 5 para. 4** (with Sch. 5 paras. 73, 76)
- F65** S. 21B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by **Corporation Tax Act 2009** (c. 4), Sch. 1 para. 11, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F66}21C The Schedule A charge and mutual business.

^{F67}

Textual Amendments

- F66** S. 21C inserted (with effect as mentioned in s. 38(2)(3) of the amending Act) by **Finance Act 1998** (c. 36), s. 38(1), **Sch. 5 para. 5** (with Sch. 5 paras. 73, 76)
- F67** S. 21C repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by **Corporation Tax Act 2009** (c. 4), Sch. 1 para. 12, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

22 Assessments.

^{F68}

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Textual Amendments

F68 S. 22 repealed (with effect in accordance with s. 39(4)(5) and Sch. 29 Pt. 8(1) Note of the repealing Act) by [Finance Act 1995 \(c. 4\)](#), ss. 39(3), 162, Sch. 6 para. 3, **Sch. 29 Pt. 8(1)**, Note

23 Collection from lessees and agents.

F69

Textual Amendments

F69 S. 23 repealed (with effect in accordance with s. 39(4)(5) and Sch. 29 Pt. 8(1) Note of the repealing Act) by [Finance Act 1995 \(c. 4\)](#), ss. 39(3), 162, Sch. 6 para. 3, **Sch. 29 Pt. 8(1)**, Note

24 Construction of Part II.

F70

Textual Amendments

F70 S. 24 repealed for the purposes of Corporation Tax (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), Sch. 1 para. 7, **Sch. 3 Pt. 2** (with Sch. 2) S. 24 otherwise repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), Sch. 8 para. 241, **Sch. 10 Pt. 9** (with Sch. 9 paras. 1-9)

Deductions and other allowances

25 Deductions from rent: general rules.

F71

Textual Amendments

F71 S. 25 ceased to have effect except for specified purposes (with effect in accordance with s. 39(4)(5) of the amending Act) by virtue of [Finance Act 1995 \(c. 4\)](#), s. 39(3), **Sch. 6 para. 4(a)**; and s. 25 repealed (with effect as mentioned in s. 38(2)(3) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), ss. 38(1), 165, Sch. 5 para. 6, **Sch. 27 Pt. 3(4)**, Note (with Sch. 5 paras. 65, 68, 73)

26 Deductions from rent: land managed as one estate.

F72

Textual Amendments

F72 S. 26 repealed (with effect as mentioned in s. 39 of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), s. 165, **Sch. 27 Pt. 3(5)**, Note

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

27 Deductions from rent: maintenance funds for historic buildings.

F73

Textual Amendments

F73 S. 27 repealed (with effect as mentioned in s. 39 of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), s. 165, [Sch. 27 Pt. 3\(5\)](#), Note

28 Deductions from receipts other than rent.

F74

Textual Amendments

F74 S. 28 ceased to have effect except for specified purposes (with effect in accordance with s. 39(4)(5) of the amending Act) by virtue of [Finance Act 1995 \(c. 4\)](#), s. 39(3), [Sch. 6 para. 4\(a\)](#); and s. 28 repealed (with effect as mentioned in s. 38(2)(3) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), ss. 38(1), 165, [Sch. 5 para. 9](#), [Sch. 27 Pt. 3\(4\)](#), Note (with [Sch. 5 paras. 65, 73](#))

29 Sporting rights.

F75

Textual Amendments

F75 S. 29 ceased to have effect except for specified purposes (with effect in accordance with s. 39(4)(5) of the amending Act) by virtue of [Finance Act 1995 \(c. 4\)](#), s. 39(3), [Sch. 6 para. 4\(b\)](#); and s. 29 repealed (with effect as mentioned in s. 38(2)(3) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), ss. 38(1), 165, [Sch. 5 para. 10](#), [Sch. 27 Pt. 3\(4\)](#), Note (with [Sch. 5 paras. 65, 73](#))

30 Expenditure on making sea walls.

F76

Textual Amendments

F76 S. 30 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 14](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

31 Provisions supplementary to sections 25 to 30.

F77

Textual Amendments

F77 S. 31 ceased to have effect except for specified purposes (with effect in accordance with s. 39(4)(5) of the amending Act) by virtue of [Finance Act 1995 \(c. 4\)](#), s. 39(3), [Sch. 6 para. 4\(c\)](#); and s. 31 repealed

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(with effect as mentioned in s. 38(2)(3) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), ss. 38(1), 165, Sch. 5 para. 12, [Sch. 27 Pt. 3\(4\)](#), Note (with Sch. 5 paras. 65, 68, 73)

[^{F78} 31ZA Deduction for expenditure on energy-saving items

^{F79}

Textual Amendments

F78 Ss. 31ZA-31ZC inserted (with effect in accordance with s. 17(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), s. 17(1); S.I. 2008/1521, art. 2

F79 Ss. 31ZA-31ZC repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 15, [Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

31ZB Restrictions on relief

^{F80}

Textual Amendments

F78 Ss. 31ZA-31ZC inserted (with effect in accordance with s. 17(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), s. 17(1); S.I. 2008/1521, art. 2

F80 Ss. 31ZA-31ZC repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 15, [Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

31ZC Regulations

^{F81}]

Textual Amendments

F78 Ss. 31ZA-31ZC inserted (with effect in accordance with s. 17(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), s. 17(1); S.I. 2008/1521, art. 2

F81 Ss. 31ZA-31ZC repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 15, [Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

[^{F82} 31A Deductions for expenditure by landlords on energy-saving items

^{F83}

Textual Amendments

F82 Ss. 31A, 31B inserted (with effect in accordance with s. 143(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), s. 143(1)

F83 S. 31A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 16, [Sch. 3](#) (with Sch. 2)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

31B Provisions supplementary to section 31A

F84]

Textual Amendments

- F82** Ss. 31A, 31B inserted (with effect in accordance with s. 143(2) of the amending Act) by Finance Act 2004 (c. 12), s. 143(1)
- F84** S. 31B repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 16, Sch. 3 (with Sch. 2)

32 Capital allowances for machinery and plant used in estate management.

F85

Textual Amendments

- F85** S. 32 repealed (with effect as mentioned in Sch. 15 para. 9(1) of the repealing Act) by Finance Act 1997 (c. 16), ss. 85, 113, Sch. 15 para. 1, Sch. 18 Pt. 06(11), Note

33 Agricultural land: allowance for excess expenditure on maintenance.

F86

Textual Amendments

- F86** S. 33 ceased to have effect except for specified purposes (with effect in accordance with s. 39(4)(5) of the amending Act) by virtue of Finance Act 1995 (c. 4), s. 39(3), Sch. 6 para. 4(d); and s. 33 repealed (with effect as mentioned in s. 38(2)(3) of the repealing Act) by Finance Act 1998 (c. 36), ss. 38(1), 165, Sch. 5 para. 13, Sch. 27 Pt. 3(4), Note (with Sch. 5 paras. 65, 73)

[^{F87} Connected persons

Textual Amendments

- F87** Ss. 33A, 33B inserted (16.7.1992 with effect in relation to rents or receipts accruing on or after 10.3.1992) by Finance (No. 2) Act 1992 (c. 48), s. 57(1)(2).

^{F88}33A Rents or receipts payable by a connected person.

F89

Textual Amendments

- F88** S. 33A inserted (16.7.1992 with effect in relation to rents or receipts accruing on or after 10.3.1992) by Finance (No. 2) Act 1992 (c. 48), s. 57(1)(2).
- F89** S. 33A ceased to have effect except for specified purposes (with effect in accordance with s. 39(4)(5) of the amending Act) by virtue of Finance Act 1995 (c. 4), s. 39(3), Sch. 6 para. 4(e); and s. 33A

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repealed (with effect as mentioned in s. 38(2)(3) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), ss. 38(1), 165, [Sch. 5 para. 14](#), [Sch. 27 Pt. 3\(4\)](#), Note (with [Sch. 5 paras. 65, 73](#))

^{F90}33B Rents or receipts relating to land in respect of which a connected person makes payments to a third party.

^{F91}

Textual Amendments

F90 S. 33B inserted (16.7.1992 with effect in relation to rents or receipts accruing on or after 10.3.1992) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), [s. 57\(1\)\(2\)](#).

F91 S. 33B ceased to have effect except for specified purposes (with effect in accordance with [s. 39\(4\) \(5\)](#) of the amending Act) by virtue of [Finance Act 1995 \(c. 4\)](#), [s. 39\(3\)](#), [Sch. 6 para. 4\(e\)](#); and s. 33B repealed (with effect as mentioned in s. 38(2)(3) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), ss. 38(1), 165, [Sch. 5 para. 14](#), [Sch. 27 Pt. 3\(4\)](#), Note (with [Sch. 5 paras. 65, 73](#))

Premiums, leases at undervalue etc

34 [^{F92}Treatment of premiums, etc. as rent.]

^{F93}

Textual Amendments

F92 S. 34 sidenote substituted (with effect as mentioned in [s. 38\(2\)\(3\)](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [s. 38\(1\)](#), [Sch. 5 para. 15\(2\)](#), (with [Sch. 5 para. 73](#))

F93 Ss. 34-39 repealed (1.4.2009 with effect in accordance with [s. 1329\(1\)](#) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 16](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 paras. 1-10, 39-41](#))

35 [^{F94}Charge] on assignment of lease granted at an undervalue.

^{F95}

Textual Amendments

F94 S. 35: word in sidenote substituted (with effect as mentioned in [s. 38\(2\)\(3\)](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [s. 38\(1\)](#), [Sch. 5 para. 16\(2\)](#) (with [Sch. 5 para. 73](#))

F95 Ss. 34-39 repealed (1.4.2009 with effect in accordance with [s. 1329\(1\)](#) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 16](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 paras. 1-10, 39-41](#))

36 [^{F96}Charge] on sale of land with right to reconveyance.

^{F97}

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

- F96** S. 36: word in sidenote substituted (with effect as mentioned in s. 38(2)(3) of the amending Act) by Finance Act 1998 (c. 36), s. 38(1), **Sch. 5 para. 17(2)** (with Sch. 5 para. 73)
- F97** Ss. 34-39 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 16, **Sch. 3 Pt. 1** (with Sch. 2 paras. 1-10, 39-41)

37 Premiums paid etc: deductions from premiums and rent received.

F98

Textual Amendments

- F98** Ss. 34-39 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 16, **Sch. 3 Pt. 1** (with Sch. 2 paras. 1-10, 39-41)

[^{F99} 37A Section 37(4) and reductions in receipts under ITTOIA 2005

F100]

Textual Amendments

- F99** S. 37A inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 21** (with Sch. 2)
- F100** Ss. 34-39 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 16, **Sch. 3 Pt. 1** (with Sch. 2 paras. 1-10, 39-41)

38 Rules for ascertaining duration of leases.

F101

Textual Amendments

- F101** Ss. 34-39 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 16, **Sch. 3 Pt. 1** (with Sch. 2 paras. 1-10, 39-41)

39 Saving for pre-1963 leases, and special relief for individuals.

F102

Textual Amendments

- F102** Ss. 34-39 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 16, **Sch. 3 Pt. 1** (with Sch. 2 paras. 1-10, 39-41)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[^{F103} *Supplementary provisions*]

Textual Amendments

F103 Cross-heading before s. 40 substituted (with effect as mentioned in s. 38(2)(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), s. 38(1), **Sch. 5 para. 19**, (with Sch. 5 para. 73)

40 Tax treatment of receipts and outgoings on sale of land.

^{F104}

Textual Amendments

F104 S. 40 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 17, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

41 Relief for rent etc. not paid.

^{F105}

Textual Amendments

F105 S. 41 ceased to have effect except for specified purposes (with effect in accordance with s. 39(4)(5) of the amending Act) by virtue of [Finance Act 1995 \(c. 4\)](#), s. 39(3), **Sch. 6 para. 4(g)**; and s. 41 repealed (with effect as mentioned in s. 38(2)(3) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), ss. 38(1), 165, Sch. 5 para. 21, **Sch. 27 Pt. 3(4)**, Note (with Sch. 5 paras. 65, 73)

42 Appeals against determinations under ^{F106} . . . [^{F107} Chapter 4 of Part 3 of ITTOIA 2005].

^{F108}

Textual Amendments

- F106** S. 42: words in sidenote omitted (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by virtue of [Corporation Tax Act 2009 \(c. 4\)](#), **Sch. 1 para. 18(3)**
- F107** S. 42: words in sidenote inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), **Sch. 1 para. 24(3)** (with Sch. 2)
- F108** S. 42 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), Sch. 7 para. 20, **Sch. 10 Pt. 12** (with Sch. 9 Pt. 1) (subject to the omission of s. 42(7), so far as it continues to have effect, by virtue of [Finance Act 2011 \(c. 11\)](#), Sch. 23 paras. 55(a), 65)

[^{F109} **42A Non-residents and their representatives.**

^{F110}]

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Textual Amendments

F109 S. 42A inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 40\(1\)](#)

F110 S. 42A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 7, Sch. 3 Pt. 1](#) (with Sch. 2)

43 Non-residents.

F111

Textual Amendments

F111 S. 43 repealed (with effect in accordance with s. 40(3) of the repealing Act) by [Finance Act 1995 \(c. 4\), s. 40\(3\), Sch. 29 Pt. 8\(16\)](#), Note 1

F^{F112} Rent factoring

Textual Amendments

F112 Ss. 43A-43G and cross-heading inserted (with effect in accordance with s. 110(2) of the amending Act) by [Finance Act 2000 \(c. 17\), s.110\(1\)](#)

43A Finance agreement: interpretation.

F113

Textual Amendments

F113 Ss. 43A-43G repealed (with effect in accordance with Sch. 6 para. 1(2) of the repealing Act) by [Finance Act 2006 \(c. 25\), Sch. 6 para. 1\(1\), Sch. 26 Pt. 3\(12\)](#), Note

43B Transfer of rent.

F114

Textual Amendments

F114 Ss. 43A-43G repealed (with effect in accordance with Sch. 6 para. 1(2) of the repealing Act) by [Finance Act 2006 \(c. 25\), Sch. 6 para. 1\(1\), Sch. 26 Pt. 3\(12\)](#), Note

43C Transfer of rent: exceptions, &c.

F115

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Textual Amendments

F115 Ss. 43A-43G repealed (with effect in accordance with Sch. 6 para. 1(2) of the repealing Act) by Finance Act 2006 (c. 25), Sch. 6 para. 1(1), **Sch. 26 Pt. 3(12)**, Note

43D Interposed lease.

F116

Textual Amendments

F116 Ss. 43A-43G repealed (with effect in accordance with Sch. 6 para. 1(2) of the repealing Act) by Finance Act 2006 (c. 25), Sch. 6 para. 1(1), **Sch. 26 Pt. 3(12)**, Note

43E Interposed lease: exceptions, &c.

F117

Textual Amendments

F117 Ss. 43A-43G repealed (with effect in accordance with Sch. 6 para. 1(2) of the repealing Act) by Finance Act 2006 (c. 25), Sch. 6 para. 1(1), **Sch. 26 Pt. 3(12)**, Note

43F Insurance business.

F118

Textual Amendments

F118 Ss. 43A-43G repealed (with effect in accordance with Sch. 6 para. 1(2) of the repealing Act) by Finance Act 2006 (c. 25), Sch. 6 para. 1(1), **Sch. 26 Pt. 3(12)**, Note

43G Interpretation.

F119]

Textual Amendments

F119 Ss. 43A-43G repealed (with effect in accordance with Sch. 6 para. 1(2) of the repealing Act) by Finance Act 2006 (c. 25), Sch. 6 para. 1(1), **Sch. 26 Pt. 3(12)**, Note

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

PART III

[^{F120}GOVERNMENT SECURITIES]

Textual Amendments

F120 Pt. 3 heading substituted (with effect in accordance with Sch. 7 para. 32 of the amending Act) by Finance Act 1996, s. 79, Sch. 7 para. 6 (with Sch. 7 paras. 33-35)

General

44 Income tax: mode of charge.

^{F121}

Textual Amendments

F121 S. 44 repealed (with effect in accordance with Sch. 7 para. 32 and Sch. 41 Pt. 5(2) Note of the repealing Act) by Finance Act 1996 (c. 8), ss. 79, 205, Sch. 7 para. 7, Sch. 41 Pt. 5(2) (with Sch. 7 paras. 33-35)

45 Interpretation of Part III.

^{F122}

Textual Amendments

F122 S. 45 repealed (with effect in accordance with Sch. 7 para. 32 and Sch. 41 Pt. 5(2) Note of the repealing Act) by Finance Act 1996 (c. 8), ss. 79, 205, Sch. 7 para. 8, Sch. 41 Pt. 5(2) (with Sch. 7 paras. 33-35)

Government securities: exemptions from tax

46 Savings certificates and tax reserve certificates.

^{F123}

Textual Amendments

F123 S. 46 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 1 para. 19, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

47 United Kingdom government securities held by non-residents.

^{F124}

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F124 S. 47 repealed (with effect in accordance with s. 154(9) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), ss. 154(7), 205, Sch. 28 para. 1, **Sch. 41 Pt. 5(18)**, Note (with s. 154(2)-(6))

48 Securities of foreign states.

F125

Textual Amendments

F125 S. 48 repealed (with effect in accordance with Sch. 7 para. 32 and Sch. 41 Pt. 5(2) Note of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), ss. 79, 205, Sch. 7 para. 9, **Sch. 41 Pt. 5(2)** (with Sch. 7 paras. 33-35)

49 Stock and dividends in name of Treasury etc.

- [^{F126}(1) No tax shall be chargeable in respect of the stock or dividends—
- (a) transferred, in pursuance of any Act of Parliament, to accounts in the books of the Bank of England in the name of the Treasury or the National Debt Commissioners, or
 - (b) transferred, in pursuance of any Act of Parliament, to the Treasury or the National Debt Commissioners and in respect of which the Treasury or those Commissioners are entered as holder in the registers kept by the Registrar of Government Stock,

but the Bank of England and the Registrar of Government Stock shall each transmit to the Board an account of the total amount thereof in those books or registers as the case may be.]

- (2) No tax shall be chargeable in respect of the stock or dividends belonging to the Crown, in whatever name they may stand in the books of the Bank of England [^{F127}or in the registers kept by the Registrar of Government Stock].

[^{F128}(3) In this section “dividends” means any interest, public annuities, dividends or shares of annuities.]

[^{F129}(4) In this section “Registrar of Government Stock” means the person or persons appointed in accordance with regulations under section 47(1)(b) of the Finance Act 1942 (see regulation 3 of the Government Stock Regulations 2004).]

Textual Amendments

F126 S. 49(1) substituted (15.11.2004) by [The Government Stock \(Consequential and Transitional Provision\) \(No. 3\) Order 2004 \(S.I. 2004/2744\)](#), art. 1, **Sch. para. 2(2)(a)** (with art. 3)

F127 Words in s. 49(2) inserted (15.11.2004) by [The Government Stock \(Consequential and Transitional Provision\) \(No. 3\) Order 2004 \(S.I. 2004/2744\)](#), art. 1, **Sch. para. 2(2)(b)** (with art. 3)

F128 S. 49(3) inserted (with effect in accordance with Sch. 7 para. 32 of the amending Act) by [Finance Act 1996 \(c. 8\)](#), s. 79, **Sch. 7 para. 10** (with Sch. 7 paras. 33-35)

F129 S. 49(4) inserted (15.11.2004) by [The Government Stock \(Consequential and Transitional Provision\) \(No. 3\) Order 2004 \(S.I. 2004/2744\)](#), art. 1, **Sch. para. 2(2)(c)** (with art. 3)

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Government securities: interest payable without deduction of tax

50 United Kingdom securities: Treasury directions for payment without deduction of tax.

F130

Textual Amendments

F130 S. 50 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 8, **Sch. 3 Pt. 1** (with Sch. 2)

51 Treasury directions as respects Northern Ireland securities.

F131

Textual Amendments

F131 S. 51 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 8, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F132}51A Commencement of direction under section 50 or 51.

F132]

Textual Amendments

F132 S. 51AA inserted (29.4.1996) by [Finance Act 1996 \(c. 8\)](#), s. 155

F133 S. 51AA repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 8, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F134}51A Gilt-edged securities held under authorised arrangements.

F134]

Textual Amendments

F134 S. 51A inserted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), s. 77

F135 S. 51A repealed (with effect in accordance with s. 37(8) and Sch. 8 Pt. 2(13) Note of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), ss. 37(5), 52, **Sch. 8 Pt. 2(13)**

[^{F136}51B Periodic accounting for tax on interest on gilt-edged securities.

F136]

Textual Amendments

F136 S. 51B inserted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), s. 78(1)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F137 S. 51B repealed (with effect in accordance with s. 37(3) of the repealing Act and S.I. 1999/619) by Finance Act 1998 (c. 36), ss. 37(1), 165, **Sch. 27 Pt. 3(3)**, Note

52 Taxation of interest on converted government securities and interest which becomes subject to deduction.

F138

Textual Amendments

F138 S. 52 repealed (with effect in accordance with Sch. 7 para. 32 of the repealing Act) by Finance Act 1996 (c. 8), ss. 79, 205, Sch. 7 para. 12, **Sch. 41 Pt. 5(2)**, Note (with Sch. 7 paras. 33-35)

PART IV

PROVISIONS RELATING TO THE SCHEDULE D CHARGE

CHAPTER I

SUPPLEMENTARY CHARGING PROVISIONS

53 Farming and other commercial occupation of land (except woodlands).

F139

Textual Amendments

F139 S. 53 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 20, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F140 **54 Woodlands managed on a commercial basis.**

.....

Textual Amendments

F140 S. 54 repealed (15.3.1988) by Finance Act 1988 (c. 39), **Sch. 14 Pt. 5**, Note 2

55 Mines, quarries and other concerns.

F141

Textual Amendments

F141 S. 55 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 21, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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56 Transactions in deposits with and without certificates or in debts.

- (1) ^{M1M2}Subsection (2) below applies to the following rights—
 - (a) the right to receive the amount, with or without interest, stated in a certificate of deposit;
 - (b) the right to receive an amount payable with interest—
 - (i) in a transaction in which no certificate of deposit or security is issued, and
 - (ii) which is payable by a bank or similar institution or a person regularly engaging in similar transactions;
 and the right to receive that interest.

(2) ^{M3}Profits or gains arising to a [^{F142}company] from the disposal of a right to which this subsection applies or, except so far as it is a right to receive interest, from the exercise of any such right (whether by the person to whom the certificate was issued or by some other person, or, as the case may be, by the person who acquired the right in the transaction referred to in subsection (1) above or by some person acquiring it directly or indirectly from that person), shall, if not falling to be taken into account as a trading receipt, be treated as [^{F143}an amount to which the charge to corporation tax on income applies].

- (3) ^{M4}Subsection (2) above [^{F144}and section 551 of ITTOIA 2005 (charge to income tax on profits from disposal of deposit rights) do] not apply in the case of the disposal or exercise of a right to receive an amount stated in a certificate of deposit or interest on such an amount—
 - (a) if the [^{F145}company] disposing of the right acquired it before 7th March 1973;
 - (b) to any profits or gains arising to a fund or scheme in the case of which provision is made by section [^{F146}613(4) or 614(2) or (3) or section 186 of the Finance Act 2004] for exempting the whole or part of its income from income tax;
 - (c) ^{F147}

- [^{F148}(3A) ^{F149}
- (3B) ^{F149}
- (3C) ^{F149}
- (3D) ^{F149}]
- (4) ^{F150}

[^{F151}(4A) This section and section 56A shall not apply for the purposes of corporation tax except in relation to rights in existence before 1st April 1996.

(4B) For the purposes of corporation tax, where any profits or gains arising from the disposal or exercise of a right in existence before 1st April 1996 are, or (if there were any) would be, chargeable under this section, nothing in [^{F152}Part 5 of CTA 2009] (loan relationships) shall require any amount relating to that disposal, or to the exercise of that right, to be brought into account for the purposes of [^{F152}that Part].]

- (5) ^{M5} In this section—
 - “certificate of deposit” means a document relating to money, in any currency, which has been deposited with the issuer or some other person, being a document which recognises an obligation to pay a stated amount to bearer

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or to order, with or without interest, and being a document by the delivery of which, with or without endorsement, the right to receive that stated amount, with or without interest, is transferable; and
“security” has the same meaning as in section [F153]132 of the 1992 Act].

Textual Amendments

- F142** Word in s. 56(2) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by *Income Tax (Trading and Other Income) Act 2005 (c. 5)*, **Sch. 1 para. 34(2)(a)** (with Sch. 2)
- F143** Words in s. 56(2) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by *Corporation Tax Act 2009 (c. 4)*, **Sch. 1 para. 22(2)** (with Sch. 2 Pts. 1, 2)
- F144** Words in s. 56(3) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by *Income Tax (Trading and Other Income) Act 2005 (c. 5)*, **Sch. 1 para. 34(3)(a)** (with Sch. 2)
- F145** Word in s. 56(3)(a) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by *Income Tax (Trading and Other Income) Act 2005 (c. 5)*, **Sch. 1 para. 34(3)(b)** (with Sch. 2)
- F146** Words in s. 56(3)(b) substituted (6.4.2006) by *Finance Act 2004 (c. 12)*, s. 284(1), **Sch. 35 para. 4** (with Sch. 36)
- F147** S. 56(3)(c) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by *Corporation Tax Act 2010 (c. 4)*, Sch. 1 para. 8, **Sch. 3 Pt. 1** (with Sch. 2)
- F148** S. 56(3A)-(3D) inserted (27.7.1993) by 1993 c. 34, s. 170, **Sch. 18 para. 2**
- F149** S. 56(3A)-(3D) repealed (with effect in accordance with s. 79(3) of the repealing Act) by *Finance Act 2002 (c. 23)*, s. 141, **Sch. 40 Pt. 3(10)**, Note
- F150** S. 56(4) omitted (21.7.2008) by virtue of *Finance Act 2008 (c. 9)*, **Sch. 17 para. 24(1)**
- F151** S. 56(4A)(4B) inserted (with effect in accordance with s. 105(1) of the amending Act) by *Finance Act 1996 (c. 8)*, s. 104, **Sch. 14 para. 6** (with Sch. 15)
- F152** Words in s. 56(4B) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by *Corporation Tax Act 2009 (c. 4)*, **Sch. 1 para. 22(3)** (with Sch. 2 Pts. 1, 2)
- F153** Words in s. 56(5) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by *Taxation of Chargeable Gains Act 1992 (c. 12)*, ss. 289, 290, **Sch. 10 para. 14(3)** (with ss. 60, 101(1), 171, 201(3)).

Modifications etc. (not altering text)

- C18** S. 56(2) modified (24.2.2003) by *Proceeds of Crime Act 2002 (c. 29)*, s. 458, **Sch. 10 para. 6** (with Sch. 10 para. 10); S.I. 2003/120, art. 2, **Sch.** (with arts. 3-7 (as amended by S.I. 2003/333, art. 14))

Marginal Citations

- M1** SOURCE-1973 s. 26(1)
M2 SOURCE-1974 s. 30(1)
M3 SOURCE-1973 s. 26(1); 1974 s. 30(1)
M4 SOURCE-1973 s. 26(1)(a)(b); 1975 (No. 2) s. 50(1)
M5 SOURCE-1973 s. 26(4); 1974 s. 30(2), (1); 1968 s. 55(3); 1979(C) Sch. 7

[F154] 56A Disposal or exercise of rights in pursuance of deposits.

- (1) This section applies where there is an arrangement under which—
- there is a right to receive an amount (with or without interest)
in pursuance of a deposit of money,
 - when the right comes into existence there is no certificate of deposit in respect of the right, and

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- (c) the person for the time being entitled to the right is entitled to call for the issue of a certificate of deposit in respect of the right.
- (2) In such a case—
 - (a) the right shall be treated as not falling within section 56(1)(b), and
 - (b) if there is a disposal or exercise of the right before such time (if any) as a certificate of deposit is issued in respect of it, section 56(2) shall apply to it by virtue of this paragraph.
- (3) In the application of section 56 by virtue of this section—
 - (a) subsection (2) shall have effect as if the words from “(whether” to “person)” read “(whether by the person originally entitled to the right or by some other person)”, and
 - (b) subsection (3) shall have effect as if the words “stated in a certificate of deposit” read “under an arrangement”.
- (4) In this section “certificate of deposit” has the meaning given by section 56(5).]

Textual Amendments
F154 S. 56A inserted (with application in relation to arrangements made after 16.7.1992) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), s. 34, Sch. 8 paras.1, 6.

57 Deep discount securities.

F155

Textual Amendments
F155 S. 57 repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 41 Pt. 5\(3\)](#), Note

58 Foreign pensions.

F156

Textual Amendments
F156 S. 58 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 8, [Sch. 8 Pt. 1](#) (with Sch. 7)

59 Persons chargeable.

- (1) F157
- (2) F157
- (3) F158
- (4) F158

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Textual Amendments

- F157** S. 59(1)(2) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 35\(2\), Sch. 3 \(with Sch. 2\)](#)
- F158** S. 59(3)(4) repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 292, Sch. 10 Pt. 13 \(with Sch. 9 Pts. 1, 2\)](#)

CHAPTER II

INCOME TAX: BASIS OF ASSESSMENT ETC.

Cases I and II

60 Assessment on current year basis.

F159

Textual Amendments

- F159** [Ss. 60-63A](#) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 36, Sch. 3 \(with Sch. 2\)](#)

61 Basis of assessment at commencement.

F160

Textual Amendments

- F160** [Ss. 60-63A](#) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 36, Sch. 3 \(with Sch. 2\)](#)

62 Change of basis period.

F161

Textual Amendments

- F161** [Ss. 60-63A](#) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 36, Sch. 3 \(with Sch. 2\)](#)

[^{F162}62A Conditions for such a change.

F163]

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Textual Amendments

- F162** S. 62A inserted (with effect in accordance with s. 218 of the amending Act) by [Finance Act 1994 \(c. 9\), s. 203](#) (with Sch. 20)
- F163** Ss. 60-63A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 36, Sch. 3](#) (with Sch. 2)

63 Basis of assessment on discontinuance.

F164

Textual Amendments

- F164** Ss. 60-63A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 36, Sch. 3](#) (with Sch. 2)

[^{F165} **63A Overlap profits and overlap losses.**

F166]

Textual Amendments

- F165** S. 63A inserted (with effect in accordance with s. 218 of the amending Act) by [Finance Act 1994 \(c. 9\), s. 205](#) (with Sch. 20)
- F166** Ss. 60-63A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 36, Sch. 3](#) (with Sch. 2)

Cases III, IV and V

64 Case III assessments.

F167

Textual Amendments

- F167** S. 64 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 37, Sch. 3](#) (with Sch. 2)

65 Cases IV and V assessments: general.

F168

Textual Amendments

- F168** S. 65 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 38, Sch. 3](#) (with Sch. 2)

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[^{F169} **65A Case V income from land outside UK: income tax.**

^{F170}

Textual Amendments

- F169** S. 65A inserted (with effect in accordance with s. 41(5)-(10) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 41\(2\)](#)
- F170** S. 65A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 39, Sch. 3 \(with Sch. 2\)](#)

66 Special rules for fresh income.

^{F171}

Textual Amendments

- F171** S. 66 repealed (with effect in accordance with s. 218(1) of the repealing Act) by [Finance Act 1994 \(c. 9\), ss. 207\(4\), 258, Sch. 26 Pt. 5\(24\), Note 7 \(with Sch. 20\)](#)

67 Special rules where source of income disposed of or yield ceases.

^{F172}

Textual Amendments

- F172** S. 67 repealed (with effect in accordance with s. 218(1) of the repealing Act) by [Finance Act 1994 \(c. 9\), ss. 207\(4\), 258, Sch. 26 Pt. 5\(24\), Note 7 \(with Sch. 20\)](#)

68 Special rules where property etc. situated in Republic of Ireland.

^{F173}

Textual Amendments

- F173** S. 68 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 40, Sch. 3 \(with Sch. 2\)](#)

[^{F174} **68A Share incentive plans: application of section 68B**

^{F175}

Textual Amendments

- F174** Ss. 68A-68C inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 10 \(with Sch. 7\)](#)
- F175** Ss. 68A-68C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 41, Sch. 3 \(with Sch. 2\)](#)

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68B Share incentive plans: cash dividends and dividend shares

F176

Textual Amendments

F174 Ss. 68A-68C inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), **Sch. 6 para. 10** (with [Sch. 7](#))

F176 Ss. 68A-68C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 41](#), **Sch. 3** (with [Sch. 2](#))

68C Share incentive plans: interpretation

F177]

Textual Amendments

F174 Ss. 68A-68C inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), **Sch. 6 para. 10** (with [Sch. 7](#))

F177 Ss. 68A-68C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 41](#), **Sch. 3** (with [Sch. 2](#))

Case VI

69 Case VI assessments.

F178

Textual Amendments

F178 [S. 69](#) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 42](#), **Sch. 3** (with [Sch. 2](#))

CHAPTER III

CORPORATION TAX: BASIS OF ASSESSMENT ETC

70 Basis of assessment etc.

F179

Textual Amendments

F179 [S. 70](#) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 23](#), **Sch. 3 Pt. 1** (with [Sch. 2 Pts. 1, 2](#))

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[^{F180}**70A Case V income from land outside UK: corporation tax.**

^{F181}]

Textual Amendments

F180 S. 70A inserted (with effect in accordance with s. 38(2)(3) of the amending Act) by [Finance Act 1998](#) (c. 36), s. 38(1), [Sch. 5 para. 25](#) (with [Sch. 5 para. 73](#))

F181 S. 70A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009](#) (c. 4), [Sch. 1 para. 24](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

CHAPTER IV

PROVISIONS SUPPLEMENTARY TO CHAPTERS II AND III

71 Computation of income tax where no profits in year of assessment.

^{F182}

Textual Amendments

F182 S. 71 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005](#) (c. 5), [Sch. 1 para. 43](#), [Sch. 3](#) (with [Sch. 2](#))

72 Apportionments etc. for purposes of Cases I, II and VI.

^{F183}

Textual Amendments

F183 S. 72 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009](#) (c. 4), [Sch. 1 para. 25](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

73 Single assessments for purposes of Cases III, IV and V.

^{F184}

Textual Amendments

F184 S. 73 repealed (with effect in accordance with s. 103(7) of the repealing Act) by [Finance Act 1995](#) (c. 4), ss. 115(09), 162, [Sch. 29 Pt. 8\(14\)](#), Note 2

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CHAPTER V

COMPUTATIONAL PROVISIONS

Deductions

74 General rules as to deductions not allowable.

F185

Textual Amendments

F185 S. 74 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 26, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

75 Expenses of management: companies with investment business

F186

Textual Amendments

F186 S. 75 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 27, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F187}75A Accounting period to which expenses of management are referable

F188]

Textual Amendments

F187 S. 75A inserted (with effect in accordance with ss. 42, 43 of the amending Act) by [Finance Act 2004 \(c. 12\), s. 39](#)

F188 S. 75A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 28, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F189}75B Amounts reversing expenses of management deducted: charge to tax

F190]

Textual Amendments

F189 S. 75B inserted (22.7.2004) by [Finance Act 2004 \(c. 12\), s. 45\(1\)](#) (with [s. 45\(2\)\(3\)](#))

F190 S. 75B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 29, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

76 Expenses of insurance companies

F191

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Textual Amendments

F191 S. 76 omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 2](#) (with [Sch. 17](#))

[^{F192}Payments for restrictive undertakings

Textual Amendments

F192 S. 76ZA and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 31](#) (with [Sch. 2 Pts. 1, 2](#))

76ZA Payments for restrictive undertakings

F193]

Textual Amendments

F193 S. 76ZA omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 3](#) (with [Sch. 17](#))

[^{F194}Seconded employees

Textual Amendments

F194 S. 76ZB and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 32](#) (with [Sch. 2 Pts. 1, 2](#))

76ZB Employees seconded to charities and educational establishments

F195]

Textual Amendments

F195 S. 76ZB omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 4](#) (with [Sch. 17](#))

[^{F196}Counselling and retraining expenses

Textual Amendments

F196 S. 76ZC and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 33](#) (with [Sch. 2 Pts. 1, 2](#))

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76ZC Counselling and other outplacement services

F197

Textual Amendments

F197 Ss. 76ZC-76ZE omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 5** (with Sch. 17)

[F198 76ZD Retraining courses

F199]

Textual Amendments

F198 S. 76ZD inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 34** (with Sch. 2 Pts. 1, 2)

F199 Ss. 76ZC-76ZE omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 5** (with Sch. 17)

[F200 76ZE Retraining courses: recovery of tax

F201]]

Textual Amendments

F200 S. 76ZE inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 35** (with Sch. 2 Pts. 1, 2)

F201 Ss. 76ZC-76ZE omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 5** (with Sch. 17)

[^{F202}Redundancy payments etc

Textual Amendments

F202 S. 76ZF and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 36** (with Sch. 2 Pts. 1, 2)

76ZF Redundancy payments and approved contractual payments

F203

Textual Amendments

F203 Ss. 76ZF-76ZJ omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 6** (with Sch. 17)

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Payments in respect of employment wholly in employer's business
F204 76ZG F205]

Textual Amendments

- F204** S. 76ZG inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 37** (with Sch. 2 Pts. 1, 2)
- F205** Ss. 76ZF-76ZJ omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 6** (with Sch. 17)

Payments in respect of employment in more than one capacity
F206 76ZH F207]

Textual Amendments

- F206** S. 76ZH inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 38** (with Sch. 2 Pts. 1, 2)
- F207** Ss. 76ZF-76ZJ omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 6** (with Sch. 17)

Additional payments
F208 76ZI F209]

Textual Amendments

- F208** S. 76ZI inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 39** (with Sch. 2 Pts. 1, 2)
- F209** Ss. 76ZF-76ZJ omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 6** (with Sch. 17)

Payments by the Government
F210 76ZJ F211]]

Textual Amendments

- F210** S. 76ZJ inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 40** (with Sch. 2 Pts. 1, 2)
- F211** Ss. 76ZF-76ZJ omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 6** (with Sch. 17)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F212}Contributions to local enterprise organisations or urban regeneration companies

Textual Amendments

F212 S. 76ZK and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 41** (with Sch. 2 Pts. 1, 2)

76ZK Contributions to local enterprise organisations or urban regeneration companies

^{F213}]

Textual Amendments

F213 S. 76ZK omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 7** (with Sch. 17)

[^{F214}Unpaid remuneration

Textual Amendments

F214 S. 76ZL and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 42** (with Sch. 2 Pts. 1, 2)

76ZL Unpaid remuneration

^{F215}

Textual Amendments

F215 Ss. 76ZL, 76ZM omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 8** (with Sch. 17)

[Unpaid remuneration: supplementary

^{F216}76ZM^{F217}]

Textual Amendments

F216 S. 76ZM inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 43** (with Sch. 2 Pts. 1, 2)

F217 Ss. 76ZL, 76ZM omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 8** (with Sch. 17)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[^{F218}Car or motor cycle hire]

Textual Amendments

F218 S. 76ZN and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 44** (with Sch. 2 Pts. 1, 2)

[^{F219}76ZNCar or motor cycle hire

F220]

Textual Amendments

F219 S. 76ZN and cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 44** (with Sch. 2 Pts. 1, 2)

F220 S. 76ZN omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 9** (with Sch. 17)

[^{F221}76ZO hiring cars (but not motor cycles) with low CO₂ emissions before 1 April 2013

F222]

Textual Amendments

F221 S. 76ZO inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 45** (with Sch. 2 Pts. 1, 2)

F222 S. 76ZO omitted (with effect in accordance with Sch. 11 paras. 65-67 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 11 para. 61**

[^{F223}76A Levies and repayments under the Financial Services and Markets Act 2000.

F224]

Textual Amendments

F223 Ss. 76A, 76B inserted (1.12.2001) by Financial Services and Markets Act 2000 (c. 8), **ss. 411(2), 431(2); S.I. 2001/3538, art. 2(1)**

F224 S. 76A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 46, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F225}76B Levies and repayments under the Financial Services and Markets Act 2000: investment companies.

F226]

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

- F225** Ss. 76A, 76B inserted (1.12.2001) by [Financial Services and Markets Act 2000 \(c. 8\)](#), **ss. 411(2), 431(2)**; S.I. 2001/3538, **art. 2(1)**
- F226** S. 76B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 47, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

77 Incidental costs of obtaining loan finance.

F227

Textual Amendments

- F227** S. 77 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 47, **Sch. 3** (with Sch. 2)

78 Discounted bills of exchange.

F228

Textual Amendments

- F228** S. 78 repealed with saving (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 10, **Sch. 41 Pt. 5(3)**, Note (with Sch. 15)

79 Contributions to local enterprise agencies.

F229

Textual Amendments

- F229** S. 79 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 48, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F230}79A Contributions to training and enterprise councils and local enterprise companies.

F231]

Textual Amendments

- F230** S. 79A inserted by [Finance Act 1990 \(c. 29\)](#), **s.76**
- F231** S. 79A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 49, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[^{F232}**79B Contributions to urban regeneration companies**

F233]

Textual Amendments

F232 S. 79B inserted (10.7.2003) by Finance Act 2003 (c. 14), s. 180(1)

F233 S. 79B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 50, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

80 Expenses connected with foreign trades etc.

F234

Textual Amendments

F234 S. 80 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 51, Sch. 3 (with Sch. 2)

81 Travel between trades etc.

F235

Textual Amendments

F235 S. 81 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 52, Sch. 3 (with Sch. 2)

82 Interest paid to non-residents.

F236

Textual Amendments

F236 S. 82 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 53, Sch. 3 (with Sch. 2)

[^{F237}**82A Expenditure on research and development.**

F238]

Textual Amendments

F237 Ss. 82A, 82B inserted (with effect in accordance with s. 68(2) of the amending Act) by Finance Act 2000 (c. 17), Sch. 19 para. 5(1) (with Sch. 19 para. 5(2)(3))

F238 S. 82A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 51, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

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[^{F239} **82B Payments to research associations, universities etc.**

F240]

Textual Amendments

F239 Ss. 82A, 82B inserted (with effect in accordance with s. 68(2) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 19 para. 5\(1\)](#) (with [Sch. 19 para. 5\(2\)\(3\)](#))

F240 S. 82B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 52](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pt. 12](#))

83 Patent fees etc. and expenses.

F241

Textual Amendments

F241 S. 83 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 53](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F242} **83A Gifts in kind to charities etc.**

F243]

Textual Amendments

F242 S. 83A inserted (with effect in accordance with s. 55(3) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [s. 55\(1\)](#)

F243 S. 83A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 54](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

84 Gifts to educational establishments.

F244

Textual Amendments

F244 S. 84 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 55](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F245} **84A Costs of establishing share option or profit sharing schemes: relief.**

F246]

Textual Amendments

F245 S. 84A inserted by [Finance Act 1991 \(c. 31\)](#), [s. 42](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F246 S. 84A repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 7 para. 26, Sch. 10 Pt. 12](#) (with Sch. 9)

85 Payments to trustees of approved profit sharing schemes.

F247

Textual Amendments

F247 S. 85 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 57, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

[^{F248}85A Costs of establishing employee share ownership trusts: relief.

F249]

Textual Amendments

F248 S. 85A inserted by [Finance Act 1991 \(c. 31\), s. 43](#)

F249 S. 85A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 58, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

[^{F250}85B Approved share incentive plans

F251]

Textual Amendments

F250 S. 85B inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 12](#) (with Sch. 7)

F251 S. 85B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 59, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

86 Employees seconded to charities and educational establishments.

F252

Textual Amendments

F252 S. 86 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 60, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

[^{F253}86A Charitable donations: contributions to agent's expenses.

F254]

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Textual Amendments

- F253** S. 86A inserted (27.7.1993) by [Finance Act 1993 \(c. 34\), s. 69](#)
F254 S. 86A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 61, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

87 Taxable premiums etc.

F255

Textual Amendments

- F255** S. 87 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 62, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F256}87A Section 87(2) and (3) and reductions in receipts under ITTOIA 2005

F257]

Textual Amendments

- F256** S. 87A inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 63](#) (with [Sch. 2](#))
F257 S. 87A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 62, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

88 Payments to Export Credit Guarantee Department.

F258

Textual Amendments

- F258** S. 88 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 63, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F259}88A Debts of overseas governments etc.

F260]

Textual Amendments

- F259** Ss. 88A-88C inserted by [Finance Act 1990 \(c. 29\), s. 74](#)
F260 Ss. 88A-88C repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996 \(c. 8\), Sch. 41 Pt. 5\(3\)](#), Note (with [Sch. 15](#))

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[^{F261}**88B Section 88A debts: restriction on deductions under section 74(j).**

F262]

Textual Amendments

F261 Ss. 88A-88C inserted by [Finance Act 1990 \(c. 29\), s. 74](#)

F262 Ss. 88A-88C repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996 \(c. 8\), Sch. 41 Pt. 5\(3\)](#), Note (with Sch. 15)

[^{F263}**88C Section 88A debts: restriction on other deductions.**

F264]

Textual Amendments

F263 Ss. 88A-88C inserted by [Finance Act 1990 \(c. 29\), s. 74](#)

F264 Ss. 88A-88C repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996 \(c. 8\), Sch. 41 Pt. 5\(3\)](#), Note (with Sch. 15)

[^{F265}**88D Restriction of deductions in respect of certain debts**

F266]

Textual Amendments

F265 S. 88D inserted (with effect in accordance with s. 80(3)(4) of the amending Act) by [Finance Act 2005 \(c. 7\), Sch. 4 para. 2](#)

F266 S. 88D repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 64, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

89 Debts proving to be irrecoverable after discontinuance etc

F267]

Textual Amendments

F267 S. 89 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 65, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

90 Additional payments to redundant employees.

F268]

Textual Amendments

F268 S. 90 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 66, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

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91 Cemeteries.

F269

Textual Amendments
F269 S. 91 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 67, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F270}91A Waste disposal: restoration payments.

F271

Textual Amendments
F270 Ss. 91A, 91B inserted by Finance Act 1990 (c. 29), s. 78
F271 S. 91A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 68, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F272}91B Waste disposal: preparation expenditure.

F273

Textual Amendments
F272 Ss. 91A, 91B inserted by Finance Act 1990 (c. 29), s. 78
F273 S. 91B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 69, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F274}91BA Waste disposal: entitlement of successor to allowances.

F275

Textual Amendments
F274 S. 91BA inserted (28.7.2000) by Finance Act 2000 (c. 17), s. 89
F275 S. 91BA repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 69, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F276}91C Mineral exploration and access.

F277

Textual Amendments
F276 S. 91C inserted (with application in accordance with s. 66(3)(4) of the amending Act) by Finance Act 1997 (c. 16), s. 66(1)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F277 S. 91C repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 70, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Treatment of regional development and other grants and debts released etc.

92 Regional development grants.

F278

Textual Amendments

F278 S. 92 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 71, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

93 Other grants under Industrial Development Act 1982 etc.

F279

Textual Amendments

F279 S. 93 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 72, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

94 Debts deducted and subsequently released.

F280

Textual Amendments

F280 S. 94 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 73, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

95 [^{F281}Taxation of dealers in respect of distributions etc.]

F282

Textual Amendments

F281 S. 95 sidenote substituted (with effect in accordance with s. 24(15) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), s. 24(9)

F282 S. 95 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 74, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F283}95ZA]Taxation of UK distributions received by insurance companies

(1) If the total amount of relevant distributions received by a company in an accounting period exceeds £50,000, those distributions are to be taken into account in calculating

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for corporation tax purposes the profits of the company in that period (and accordingly [F284[F285 section 130(2)] of CTA 2009] does not apply in relation to those distributions).

- (2) A company (“company A”) receives a “relevant distribution” if—
- (a) it receives a distribution made by a company ^{F286} . . . (“company B”),
 - (b) the value of the shares or stock in respect of which the distribution is made (“the holding”) is materially reduced by reason of the distribution,
 - (c) a profit on the sale of the holding (to anyone other than company B) would be taken into account in calculating company A's profits in respect of relevant insurance business, and
 - (d) either—
 - (i) the holding amounts to, or is an ingredient in a holding amounting to, 10% of all holdings of the same class in company B, or
 - (ii) the period between the acquisition by company A of the holding and that company first taking steps to dispose of the holding does not exceed 30 days.
- (3) In this section “relevant insurance business” means any kind of insurance business other than [F287]business in relation to which section 111 of the Finance Act 2012 applies].
- (4) Section 177(7) of TCGA 1992 (provision supplementing provision corresponding to subsection (2)(d)(i) above) applies for the purposes of subsection (2)(d)(i).
- (5) Section 731(4) below (interpretation of “taking steps to dispose of securities”) applies for the purposes of subsection (2)(d)(ii) as if the reference to the securities were to the holding.]

Textual Amendments

- F283** S. 95ZA inserted (with effect in accordance with Sch. 17 para. 16(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 17 para. 16(1)**
- F284** Words in s. 95ZA(1) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 75** (with Sch. 2 Pts. 1, 2)
- F285** Words in s. 95ZA(1) substituted (with effect in accordance with Sch. 14 para. 31 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 14 para. 5(2)**
- F286** Words in s. 95ZA(2)(a) omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 5(3)**
- F287** Words in s. 95ZA(3) substituted (with effect in accordance with s. 148(1) of the amending Act) by Finance Act 2012 (c. 14), **Sch. 16 para. 10** (with Sch. 17)

Special provisions

[F288] **95A Creative artists: relief for fluctuating profits**

[F289]

Textual Amendments

- F288** S. 95A inserted (11.5.2001) by Finance Act 2001 (c. 9), **s. 71(1)**

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F289 S. 95A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 75, Sch. 3 \(with Sch. 2\)](#)

96 Farming and market gardening: relief for fluctuating profits.

F290

Textual Amendments

F290 S. 96 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 76, Sch. 3 \(with Sch. 2\)](#)

97 Treatment of farm animals etc.

F291

Textual Amendments

F291 S. 97 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 76, Sch. 3 Pt. 1 \(with Sch. 2 Pts. 1, 2\)](#)

[^{F292}98 Tied premises: receipts and expenses treated as those of trade.

F293]

Textual Amendments

F292 S. 98 substituted (17.3.1998) by [Finance Act 1998 \(c. 36\), s. 41\(1\)\(3\) \(with s. 41\(4\)-\(7\)\)](#)
F293 S. 98 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 77, Sch. 3 Pt. 1 \(with Sch. 2 Pts. 1, 2\)](#)

99 Dealers in land.

F294

Textual Amendments

F294 S. 99 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 78, Sch. 3 Pt. 1 \(with Sch. 2 Pts. 1, 2\)](#)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

CHAPTER VI

DISCONTINUANCE ^{F295} . . .

Textual Amendments

F295 Words in **Pt. 4 Ch. 6** heading repealed (with application in accordance with Sch. 27 Pt. 3(6) Note of the repealing Act) by **Finance Act 1998 (c. 36), Sch. 27 Pt. 3(6)**

Valuation of trading stock etc.

100 Valuation of trading stock at discontinuance of trade.

F296

Textual Amendments

F296 **S. 100** repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by **Corporation Tax Act 2009 (c. 4), Sch. 1 para. 79, Sch. 3 Pt. 1** (with **Sch. 2 Pts. 1, 2**)

101 Valuation of work in progress at discontinuance of profession or vocation.

F297

Textual Amendments

F297 **S. 101** repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by **Corporation Tax Act 2009 (c. 4), Sch. 1 para. 80, Sch. 3 Pt. 1** (with **Sch. 2 Pts. 1, 2**)

102 Provisions supplementary to sections 100 and 101.

F298

Textual Amendments

F298 **S. 102** repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by **Corporation Tax Act 2009 (c. 4), Sch. 1 para. 81, Sch. 3 Pt. 1** (with **Sch. 2 Pts. 1, 2**)

Case VI charges on receipts

103 Receipts after discontinuance: earnings basis charge and related charge affecting conventional basis.

F299

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F299 Ss. 103-106 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 82, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

104 Conventional basis: general charge on receipts after discontinuance^{F300}

F301

Textual Amendments

F300 Words in s. 104 sidenote repealed (with effect in accordance with Sch. 27 Pt. 3(6) Note of the repealing act) by Finance Act 1998 (c. 36), **Sch. 27 Pt. 3(6)**

F301 Ss. 103-106 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 82, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

105 Allowable deductions.

F302

Textual Amendments

F302 Ss. 103-106 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 82, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

106 Application of charges where rights to payments transferred.

F303

Textual Amendments

F303 Ss. 103-106 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 82, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Reliefs

107 Treatment of receipts as earned income.

F304

Textual Amendments

F304 S. 107 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 86, **Sch. 3** (with Sch. 2)

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108 Election for carry-back.

F305

Textual Amendments
F305 S. 108 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 87, Sch. 3](#) (with Sch. 2)

109 Charge under section 104: relief for individuals born before 6th April 1917.

F306

Textual Amendments
F306 S. 109 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 88, Sch. 3](#) (with Sch. 2)

[^{F307} Relief for post-cessation expenditure

Textual Amendments
F307 S. 109A and preceding cross-heading inserted (with effect in accordance with s. 90(7) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 90\(1\)](#)

109A Relief for post-cessation expenditure.

F308]

Textual Amendments
F308 S. 109A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 11, Sch. 3 Pt. 1](#) (with Sch. 2)

Supplemental

110 Interpretation etc.

F309

Textual Amendments
F309 S. 110 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 83, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[^{F310}^{F311} Change of residence]

Textual Amendments

- F310** S. 110A and preceding cross-heading inserted (with effect in accordance with s. 124(2) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 124\(1\)](#)
- F311** S. 110A and preceding cross-heading repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 91, Sch. 3](#) (with [Sch. 2](#))

110A Change of residence.

^{F312}]

Textual Amendments

- F312** S. 110A and preceding cross-heading repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 91, Sch. 3](#) (with [Sch. 2](#))

CHAPTER VII

PARTNERSHIPS AND SUCCESSIONS

General

[^{F313}111 Treatment of partnerships.

- (1) ^{F314}
- (2) ^{F315}
- (3) ^{F315}
- (4) ^{F315}
- (5) ^{F315}
- (6) ^{F315}
- (7) ^{F315}
- (8) ^{F315}
- (9) ^{F315}
- (10) ^{F315}
- (11) ^{F315}
- (12) ^{F315}
- (13) ^{F315}]

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

- F313** S. 111 substituted (with effect in accordance with s. 215(4)(5) of the 1994 amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 215\(1\)](#) (as amended (retrospectively) by [Finance Act 1995 c. 4](#), [s. 117\(1\)\(a\)\(2\)\(4\)](#)) (with Sch. 20)
- F314** S. 111(1) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 84](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F315** S. 111(2)-(13) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 92\(3\)](#), [Sch. 3](#) (with [Sch. 2](#))

112 Partnerships controlled abroad.

F316

Textual Amendments

- F316** S. 112 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 93](#), [Sch. 3](#) (with [Sch. 2](#))

113 Effect, for income tax, of change in ownership of trade, profession or vocation.

F317

Textual Amendments

- F317** S. 113 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 94](#), [Sch. 3](#) (with [Sch. 2](#))

Partnerships involving companies

114 Special rules for computing profits and losses.

F318

Textual Amendments

- F318** S. 114 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 85](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

115 Provisions supplementary to section 114.

F319

Textual Amendments

- F319** S. 115 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 85](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

116 Arrangements for transferring relief.

F320

Textual Amendments

F320 S. 116 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 11, **Sch. 3 Pt. 1** (with Sch. 2)

Limited partners

117 Restriction on relief: individuals.

F321

Textual Amendments

F321 S. 117 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 13, **Sch. 3 Pt. 1** (with Sch. 2)

118 Restriction on relief: companies.

F322

Textual Amendments

F322 Ss. 118-118ZD repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 12, **Sch. 3 Pt. 1** (with Sch. 2)

^{F323}Limited liability partnerships

Textual Amendments

F323 Ss. 118ZA-118ZD and preceding cross-heading inserted (6.4.2001) by Limited Liability Partnerships Act 2000 (c. 12), **ss. 10(1)**, 19(1); S.I. 2000/3316, **art. 2**

118ZA Treatment of limited liability partnerships.

F324

Textual Amendments

F324 S. 118ZA repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 87, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

118ZB Restriction on relief: companies

F325

Textual Amendments
F325 Ss. 118-118ZD repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 12, **Sch. 3 Pt. 1** (with Sch. 2)

118ZC Member’s contribution to trade.

F326

Textual Amendments
F326 Ss. 118-118ZD repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 12, **Sch. 3 Pt. 1** (with Sch. 2)

118ZD Carry forward of unrelieved losses.

F327]

Textual Amendments
F327 Ss. 118-118ZD repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 12, **Sch. 3 Pt. 1** (with Sch. 2)

^{F328}Non-active general partners and non-active members of limited liability partnerships

Textual Amendments
F328 Ss. 118ZE-118ZK and preceding cross-heading inserted (22.7.2004) by Finance Act 2004 (c. 12), **s. 124(1)**

118ZE Restriction on relief for non-active partners

F329

Textual Amendments
F329 Ss. 118ZE-118ZK repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 18, **Sch. 3 Pt. 1** (with Sch. 2)

118ZF Meaning of “the aggregate amount”

F330

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F330 Ss. 118ZE-118ZK repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 18, **Sch. 3 Pt. 1** (with Sch. 2)

118ZG “The individual’s contribution to the trade”

F331

Textual Amendments

F331 Ss. 118ZE-118ZK repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 18, **Sch. 3 Pt. 1** (with Sch. 2)

118ZH “A significant amount of time”

F332

Textual Amendments

F332 Ss. 118ZE-118ZK repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 18, **Sch. 3 Pt. 1** (with Sch. 2)

118ZI Carry forward of unrelieved losses of non-active partners

F333

Textual Amendments

F333 Ss. 118ZE-118ZK repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 18, **Sch. 3 Pt. 1** (with Sch. 2)

18ZJ Commencement: the first restricted year

F334

Textual Amendments

F334 Ss. 118ZE-118ZK repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 18, **Sch. 3 Pt. 1** (with Sch. 2)

118ZK Transitional provision for years after the first restricted year

F335]

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F335 Ss. 118ZE-118ZK repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 18, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F336}Partnerships exploiting films

Textual Amendments

F336 Ss. 118ZL, 118ZM and preceding cross-heading inserted (22.7.2004) by [Finance Act 2004 \(c. 12\), s. 125](#)

118ZL Partnerships exploiting films

F337

Textual Amendments

F337 Ss. 118ZL, 118ZM repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 19, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

118ZM Partnerships exploiting films: supplementary

F338]

Textual Amendments

F338 Ss. 118ZL, 118ZM repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 19, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F339}Partners: meaning of “contribution to the trade”

Textual Amendments

F339 Ss. 118ZN, 118ZO and preceding cross-heading inserted (retrospective to 2.12.2004) by [Finance Act 2005 \(c. 7\), s. 73\(1\)\(5\)](#)

118ZN Partners: meaning of “contribution to the trade”

F340

Textual Amendments

F340 Ss. 118ZN, 118ZO repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 20, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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118ZO Meaning of “relevant loss” in section 118ZN

F341]

Textual Amendments

F341 Ss. 118ZN, 118ZO repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 20, [Sch. 3 Pt. 1](#) (with Sch. 2)

[^{F342}^{F343}CHAPTER VIIA

PAYING AND COLLECTING AGENTS]

Textual Amendments

F342 Pt. 4 Ch. 7A (ss. 118A-118K) inserted (29.4.1996) by [Finance Act 1996 \(c. 8\)](#), [Sch. 29 para. 1](#)
F343 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by [Finance Act 2000 \(c. 17\)](#), s. 111(1), [Sch. 40 Pt. 2\(17\)](#), Note 1

118A Definitions.

F344

Textual Amendments

F344 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by [Finance Act 2000 \(c. 17\)](#), s. 111(1), [Sch. 40 Pt. 2\(17\)](#), Note 1

118B Paying agents.

F345

Textual Amendments

F345 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by [Finance Act 2000 \(c. 17\)](#), s. 111(1), [Sch. 40 Pt. 2\(17\)](#), Note 1

118C Collecting agents.

F346

Textual Amendments

F346 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by [Finance Act 2000 \(c. 17\)](#), s. 111(1), [Sch. 40 Pt. 2\(17\)](#), Note 1

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

118D Chargeable payments and chargeable receipts.

F347

Textual Amendments
F347 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by Finance Act 2000 (c. 17), s. 111(1), Sch. 40 Pt. 2(17), Note 1

118E Deduction of tax from chargeable payments and chargeable receipts.

F348

Textual Amendments
F348 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by Finance Act 2000 (c. 17), s. 111(1), Sch. 40 Pt. 2(17), Note 1

118F Accounting for tax on chargeable payments and chargeable receipts.

F349

Textual Amendments
F349 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by Finance Act 2000 (c. 17), s. 111(1), Sch. 40 Pt. 2(17), Note 1

118G Relevant securities of eligible persons.

F350

Textual Amendments
F350 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by Finance Act 2000 (c. 17), s. 111(1), Sch. 40 Pt. 2(17), Note 1

118H Relevant securities of eligible persons: administration.

F351

Textual Amendments
F351 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by Finance Act 2000 (c. 17), s. 111(1), Sch. 40 Pt. 2(17), Note 1

118I Deduction of tax at reduced rate.

F352

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F352 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by Finance Act 2000 (c. 17), s. 111(1), **Sch. 40 Pt. 2(17)**, Note 1

118J Prevention of double accounting.

F353

Textual Amendments

F353 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by Finance Act 2000 (c. 17), s. 111(1), **Sch. 40 Pt. 2(17)**, Note 1

118K Regulations.

F354]

Textual Amendments

F354 Pt. 4 Ch. 7A (ss. 118A-118K) repealed (with effect in accordance with s. 111(6)(a) of the repealing Act) by Finance Act 2000 (c. 17), s. 111(1), **Sch. 40 Pt. 2(17)**, Note 1

CHAPTER VIII

MISCELLANEOUS AND SUPPLEMENTAL

119 Rent etc. payable in connection with mines, quarries and similar concerns.

F355

Textual Amendments

F355 S. 119 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 88, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

120 Rent etc. payable in respect of electric line wayleaves.

F356

Textual Amendments

F356 S. 120 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 89, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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121 Management expenses of owner of mineral rights.

F357

Textual Amendments

F357 S. 121 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 90, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

122 Relief in respect of mineral royalties.

F358

Textual Amendments

F358 S. 122 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 91, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

123 Foreign dividends.

F359

Textual Amendments

F359 S. 123 repealed (with effect in accordance with Sch. 7 para. 32 of the repealing Act) by Finance Act 1996 (c. 8), Sch. 7 para. 13, **Sch. 41 Pt. 5(2)**, Note (with Sch. 7 paras. 33-35)

124 Interest on quoted Eurobonds.

F360

Textual Amendments

F360 S. 124 repealed (with effect in accordance with s. 111(6)(b) of the repealing Act) by Finance Act 2000 (c. 17), s. 111(2), **Sch. 40 Pt. 2(17)**, Note 2

125 [^{F361}Annual payments for dividends or non-taxable consideration]

F362

Textual Amendments

F361 S. 125 title substituted (retrospective to 2.12.2004) by virtue of Finance Act 2005 (c. 7), s. **91(3)**

F362 S. 125 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 92, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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126 Treasury securities issued at a discount.

F363

Textual Amendments

F363 Ss. 126, 126A repealed (with effect in accordance with s. 105(1) of the repealing Act) by Finance Act 1996, Sch. 41 Pt. 5(3), Note

126A Charge to tax on appropriation of securities and bonds.

F364

Textual Amendments

F364 Ss. 126, 126A repealed (with effect in accordance with s. 105(1) of the repealing Act) by Finance Act 1996, Sch. 41 Pt. 5(3), Note

127 Enterprise allowance.

F365

Textual Amendments

F365 S. 127 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 108, Sch. 3](#) (with Sch. 2)

[^{F366}**127A Futures and options: transactions with guaranteed returns.**

F367]

Textual Amendments

F366 S. 127A inserted (with effect in accordance with s. 80(6) of the amending Act) by [Finance Act 1997 \(c. 16\), s. 80\(1\)](#)

F367 S. 127A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 109, Sch. 3](#) (with Sch. 2)

128 Commodity and financial futures etc.: losses and gains.

(1) ^{F368}

[^{F369}(2) ^{F370}]

(3) ^{F370}

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

- F368** S. 128(1) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 110, Sch. 3 \(with Sch. 2\)](#)
- F369** S. 128(2) inserted (with effect in accordance with s. 83(3) of the amending Act) by [Finance Act 2002 \(c. 23\), Sch. 27 para. 3\(2\) \(with Sch. 28\)](#)
- F370** S. 128(2)(3) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 93, Sch. 3 Pt. 1 \(with Sch. 2 Pts. 1, 2\)](#)

129 Stock lending.

F371

Textual Amendments

- F371** Ss. 129, 129A repealed (with effect in accordance with Sch. 10 para. 7(1) of the repealing Act) by [Finance Act 1997 \(c. 16\), Sch. 10 para. 1, Sch. 18 Pt. 6\(10\), Note 1; S.I. 1997/991, art. 2](#)

[^{F372}129A Stock lending: interest on cash collateral.

F373]

Textual Amendments

- F372** S. 129A inserted (with application in accordance with s. 85(3) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 85\(1\)](#)
- F373** Ss. 129, 129A repealed (with effect in accordance with Sch. 10 para. 7(1) of the repealing Act) by [Finance Act 1997 \(c. 16\), Sch. 10 para. 1, Sch. 18 Pt. 6\(10\), Note 1; S.I. 1997/991, art. 2](#)

[^{F374}129B Stock lending fees.

- (1) The income which, as income deriving from investments of a description specified in any of the relevant provisions, is eligible for relief from tax by virtue of that provision shall be taken to include any relevant stock lending fee.
- (2) For the purposes of this section the relevant provisions are [^{F375}sections 613(4) and 614(3) and section 186 of the Finance Act 2004].
- (3) In this section “relevant stock lending fee”, in relation to investments of any description, means any amount, in the nature of a fee, which is payable in connection with [^{F376}any] stock lending arrangement relating to investments which, but for any transfer under the arrangement, would be investments of that description.
- [^{F377}(4) In this section “stock lending arrangement” has the same meaning as in section 263B of the 1992 Act.]

Textual Amendments

- F374** S. 129B inserted (with effect in accordance with s. 157(2) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 157\(1\)](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F375 Words in s. 129B(2) substituted (6.4.2006) by Finance Act 2004 (c. 12), s. 284(1), **Sch. 35 para. 6** (with Sch. 36)

F376 Word in s. 129B(3) substituted (with effect in accordance with Sch. 10 para. 7(1) of the amending Act) by Finance Act 1997 (c. 16), **Sch. 10 para. 2(1)**; S.I. 1997/991, **art. 2**

F377 S. 129B(4) substituted (with effect in accordance with Sch. 10 para. 7(1) of the amending Act) by Finance Act 1997 (c. 16), **Sch. 10 para. 2(2)**; S.I. 1997/991, **art. 2**

130 [^{F378}**Meaning of “investment company” in Part 4]**

^{M6}In this Part of this Act [^{F379}—

^{F380}.....]

“investment company”, means any company whose business consists wholly or mainly in the making of investments and the principal part of whose income is derived therefrom, but includes any savings bank or other bank for savings except any which, for the purposes of the ^{M7}Trustee Savings Bank Act 1985, is a successor or a further successor to a trustee savings bank.

Textual Amendments

F378 S. 130 title substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 94(3)** (with Sch. 2 Pts. 1, 2)

F379 S. 130: definition of "company with investment business" inserted (with effect in accordance with ss. 38(5), 42, 43 of the amending Act) by Finance Act 2004 (c. 12), **s. 38(3)**

F380 S. 130: definition of "company with investment business" repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 94(2), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Marginal Citations

M6 Source—1970 s.304(5); 1980 Sch.11

M7 1985 c. 58.

PART V

PROVISIONS RELATING TO THE SCHEDULE E CHARGE

CHAPTER I

SUPPLEMENTARY CHARGING PROVISIONS OF GENERAL APPLICATION

Miscellaneous provisions

131 Chargeable emoluments.

^{F381}.....

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F381 Ss. 131-134 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 14, **Sch. 8 Pt. 1** (with Sch. 7)

132 Place of performance, and meaning of emoluments received in the U.K.

F382

Textual Amendments

F382 Ss. 131-134 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 14, **Sch. 8 Pt. 1** (with Sch. 7)

133 Voluntary pensions.

F383

Textual Amendments

F383 Ss. 131-134 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 14, **Sch. 8 Pt. 1** (with Sch. 7)

134 Workers supplied by agencies.

F384

Textual Amendments

F384 Ss. 131-134 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 14, **Sch. 8 Pt. 1** (with Sch. 7)

Shareholdings, loans etc.

135 Gains by directors and employees from share options.

F385

Textual Amendments

F385 Ss. 135-137 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 15, **Sch. 8 Pt. 1** (with Sch. 7)

136 Provisions supplementary to section 135.

F386

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F386 Ss. 135-137 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 15, Sch. 8 Pt. 1](#) (with Sch. 7)

137 Payment of tax under section 135 by instalments.

F387

Textual Amendments

F387 Ss. 135-137 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 15, Sch. 8 Pt. 1](#) (with Sch. 7)

138 Share acquisitions by directors and employees.

F388

Textual Amendments

F388 Ss. 138, 139 omitted (with effect in accordance with s. 50(3) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\), s. 50\(1\)](#)

^{F389}139 Provisions supplementary to section 138.

.....

Textual Amendments

F389 Ss. 138, 139 omitted (with effect in accordance with s. 50(3) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\), s. 50\(1\)](#)

140 Further interpretation of sections 135 to 139.

F390

Textual Amendments

F390 S. 140 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 17, Sch. 8 Pt. 1](#) (with s. 418(4), Sch. 7)

[^{F391}140A Conditional acquisition of shares.

F392

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

- F391** Ss. 140A-140C inserted (with application in accordance with s. 50(4) of the amending Act) by Finance Act 1998 (c. 36), s. 50(1)
- F392** Ss. 140A-140H repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 18, Sch. 8 Pt. 1 (with Sch. 7)

140B Consideration for shares conditionally acquired.

F393

Textual Amendments

- F391** Ss. 140A-140C inserted (with application in accordance with s. 50(4) of the amending Act) by Finance Act 1998 (c. 36), s. 50(1)
- F393** Ss. 140A-140H repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 18, Sch. 8 Pt. 1 (with Sch. 7)

140C Cases where interest to be treated as only conditional.

F394]

Textual Amendments

- F391** Ss. 140A-140C inserted (with application in accordance with s. 50(4) of the amending Act) by Finance Act 1998 (c. 36), s. 50(1)
- F394** Ss. 140A-140H repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 18, Sch. 8 Pt. 1 (with Sch. 7)

[^{F395}140D Convertible shares.

F396

Textual Amendments

- F395** Ss. 140D-140F inserted (with application in accordance with s. 51(3) of the amending Act) by Finance Act 1998 (c. 36), s. 51(1)
- F396** Ss. 140A-140H repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 18, Sch. 8 Pt. 1 (with Sch. 7)

140E Consideration for convertible shares.

F397

Textual Amendments

- F395** Ss. 140D-140F inserted (with application in accordance with s. 51(3) of the amending Act) by Finance Act 1998 (c. 36), s. 51(1)

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F397 Ss. 140A-140H repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 18, **Sch. 8 Pt. 1** (with Sch. 7)

140F Supplemental provision with respect to convertible shares.

F398]

Textual Amendments

F395 Ss. 140D-140F inserted (with application in accordance with s. 51(3) of the amending Act) by Finance Act 1998 (c. 36), **s. 51(1)**

F398 Ss. 140A-140H repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 18, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F399}140G Information for the purposes of sections 140A to 140F.

F400]

Textual Amendments

F399 S. 140G inserted (31.7.1998) by Finance Act 1998 (c. 36), **s. 52(1)**

F400 Ss. 140A-140H repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 18, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F401}140H Construction of sections 140A to 140G.

F402]

Textual Amendments

F401 S. 140H inserted (31.7.1998) by Finance Act 1998 (c. 36), **s. 53**

F402 Ss. 140A-140H repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 18, **Sch. 8 Pt. 1** (with Sch. 7)

Vouchers etc.

141 Non-cash vouchers.

F403

Textual Amendments

F403 Ss. 141-144 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 19, **Sch. 8 Pt. 1** (with Sch. 7)

142 Credit-tokens.

F404

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F404 Ss. 141-144 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 19, Sch. 8 Pt. 1](#) (with Sch. 7)

143 Cash vouchers taxable under P.A.Y.E.

F405

Textual Amendments

F405 Ss. 141-144 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 19, Sch. 8 Pt. 1](#) (with Sch. 7)

144 Supplementary provisions.

F406

Textual Amendments

F406 Ss. 141-144 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 19, Sch. 8 Pt. 1](#) (with Sch. 7)

[^{F407}144A Payments etc. received free of tax.

F408]

Textual Amendments

F407 S. 144A inserted (3.5.1994) by [Finance Act 1994 \(c. 9\), s. 132](#)
F408 S. 144A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 20, Sch. 8 Pt. 1](#) (with Sch. 7)

Living accommodation

145 Living accommodation provided for employee.

F409

Textual Amendments

F409 Ss. 145-147 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 21, Sch. 8 Pt. 1](#) (with Sch. 7)

146 Additional charge in respect of certain living accommodation.

F410

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F410 Ss. 145-147 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 21, Sch. 8 Pt. 1](#) (with Sch. 7)

[^{F411}**146A** **Priority of rules applying to living accommodation.**

^{F412}

Textual Amendments

F411 S. 146A inserted (with application in accordance with s. 106(3) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 106\(2\)](#)

F412 Ss. 145-147 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 21, Sch. 8 Pt. 1](#) (with Sch. 7)

147 Occupation of Chevening House.

^{F413}

Textual Amendments

F413 Ss. 145-147 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 21, Sch. 8 Pt. 1](#) (with Sch. 7)

Payments on retirement, sick pay etc.

148 Payments and other benefits in connection with termination of employment, etc.

^{F414}

Textual Amendments

F414 Ss. 148-151A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 22, Sch. 8 Pt. 1](#) (with Sch. 7)

149 Sick pay.

^{F415}

Textual Amendments

F415 Ss. 148-151A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 22, Sch. 8 Pt. 1](#) (with Sch. 7)

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150 Job release scheme allowances, maternity pay and statutory sick pay.

F416

Textual Amendments

F416 Ss. 148-151A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 22, **Sch. 8 Pt. 1** (with Sch. 7)

151 Income support etc.

F417

Textual Amendments

F417 Ss. 148-151A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 22, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F418}151A] Jobseeker's allowance.

F419

Textual Amendments

F418 S. 151A inserted (2.9.1996) by Jobseekers Act 1995 (c. 18), s. 41(2)(4), **Sch. 2 para. 12**; S.I. 1996/2208, **art. 2(a)**

F419 Ss. 148-151A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 22, **Sch. 8 Pt. 1** (with Sch. 7)

152 [^{F420}Notification of taxable amount of certain benefits].

F421

Textual Amendments

F420 S. 152 sidenote substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), **Sch. 6 para. 23** (with Sch. 7)

F421 S. 152 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 7 para. 34, **Sch. 10 Pt. 12** (with Sch. 9)

CHAPTER II

[^{F422}EMPLOYEES EARNING £8,500 OR MORE AND DIRECTORS]

Textual Amendments

F422 Pt. 5 Ch. 2 heading substituted by Finance Act 1989 (c. 26), **s. 53(2)(a)**

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Expenses

153 Payments in respect of expenses.

F423

Textual Amendments

F423 Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

Benefits in kind

154 General charging provision.

F424

Textual Amendments

F424 Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

155 Exceptions from the general charge.

F425

Textual Amendments

F425 Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F426} 155ZA Accommodation, supplies or services used in performing duties of employment.

F427]

Textual Amendments

F426 S. 155ZA inserted (with effect in accordance with s. 57(2) of the amending Act) by Finance Act 2000 (c. 17), s. 57(1), **Sch. 10 para. 2(1)**

F427 Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F428} 155ZB Power to provide for exemption of minor benefits.

F429]

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Textual Amendments

- F428** S. 155ZB inserted (with effect in accordance with s. 57(2) of the amending Act) by [Finance Act 2000](#) (c. 17), s. 57(1), **Sch. 10 para. 3(1)**
- F429** Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003](#) (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F430}**155A**Mobile telephones.

^{F431}

Textual Amendments

- F430** S. 155AA inserted (with effect in accordance with s. 44(6) of the amending Act) by [Finance Act 1999](#) (c. 16), s. 44(1)
- F431** Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003](#) (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F432}**155A**Care for children.

^{F433}

Textual Amendments

- F432** S. 155A inserted (1990-91 and subsequent years of assessment) by [Finance Act 1990](#) (c. 29), s. 21(1)(3)
- F433** Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003](#) (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

156 Cash equivalent of benefits charged under section 154.

^{F434}

Textual Amendments

- F434** Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003](#) (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F435}**156A**Limited exemption for computer equipment.

^{F436}

Textual Amendments

- F435** S. 156A inserted (with application in accordance with s. 45(3) of the amending Act) by [Finance Act 1999](#) (c. 16), s. 45(1)
- F436** Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003](#) (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

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157 Cars available for private use.

F437

Textual Amendments

F437 Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F438} 157A Cars available for private use: cash alternative, etc.

F439]

Textual Amendments

F438 S. 157A inserted (with effect in accordance with s. 43(4) of the amending Act) by Finance Act 1995 (c. 4), s. 43(1)

F439 Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

158 Car fuel.

F440

Textual Amendments

F440 Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

159 Pooled cars.

F441

Textual Amendments

F441 Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F442} 159AA Cars available for private use.

F443]

Textual Amendments

F442 Ss. 159AA, 159AB inserted after s. 159 (27.7.1993 with effect for the year 1993-94 and subsequent years of assessment) by 1993 c. 34, s. 73, Sch. 4 paras. 4, 8

F443 Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

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F444 159AB Boled vans.

F445

Textual Amendments
F444 Ss. 159AA, 159AB inserted after s. 159 (27.7.1993 with effect for the year 1993-94 and subsequent years of assessment) by 1993 c. 34, s. 73, Sch. 4 paras. 4, 8
F445 Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, Sch. 8 Pt. 1 (with Sch. 7)

[F446 159AC Heavier commercial vehicles available for private use.

F447]

Textual Amendments
F446 S. 159AC inserted (27.7.1993 with effect for the year 1993-94 and subsequent years of assessment) by 1993 c. 34, s. 74(1)(3)
F447 Ss. 153-159AC repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, Sch. 8 Pt. 1 (with Sch. 7)

[F448 159A

F449]

Textual Amendments
F448 S. 159A inserted (1991-92 and subsequent years of assessment) by Finance Act 1991 (c. 31), s. 30(2)(3)
F449 S. 159A repealed (with effect in accordance with s. 44(6) of the repealing Act) by Finance Act 1999 (c. 16), ss. 44(2), 139, Sch. 20 Pt. 3(9), Note

160 Beneficial loan arrangements.

F450

Textual Amendments
F450 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, Sch. 8 Pt. 1 (with Sch. 7)

161 Exceptions from section 160.

F451

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F451 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 24](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

[^{F452}**161A**Treatment of qualifying loans.

^{F453}

Textual Amendments

F452 S. 161A inserted (with effect in accordance with s. 57(2) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), s. 57(1), [Sch. 10 para. 4\(1\)](#)

F453 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 24](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

[^{F454}**161B**Beneficial loans: loans on ordinary commercial terms.

^{F455}

Textual Amendments

F454 S. 161B inserted (with effect in accordance with s. 57(2) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), s. 57(1), [Sch. 10 para. 5\(1\)](#)

F455 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 24](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

162 Employee shareholdings.

^{F456}

Textual Amendments

F456 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 24](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

163 Expenses connected with living accommodation.

^{F457}

Textual Amendments

F457 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 24](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

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164 Director’s tax paid by employer.

F458

Textual Amendments
F458 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

165 Scholarships.

F459

Textual Amendments
F459 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

General supplementary provisions

166 Notice of nil liability under this Chapter.

F460

Textual Amendments
F460 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

167 Employment to which this Chapter applies.

F461

Textual Amendments
F461 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

168 Other interpretative provisions.

F462

Textual Amendments
F462 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

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[^{F463} **168A** Price of a car as regards a year.

F464]

Textual Amendments

F463 Ss. 168A-168G inserted (with effect for the year 1994-95 and subsequent years of assessment) by 1993 c. 34, s. 72, Sch. 3 paras. 4, 7

F464 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F465} **168AA** Equipment to enable disabled person to use car.

F466]

Textual Amendments

F465 S. 168AA inserted (with effect in accordance with s. 44(3) of the amending Act) by Finance Act 1995 (c. 4), s. 44(2)

F466 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F467} **168AB** Equipment etc. to enable car to run on road fuel gas.

F468]

Textual Amendments

F467 S. 168AB inserted (with effect in accordance with s. 60(6) of the amending Act) by Finance Act 1998 (c. 36), s. 60(3)

F468 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

^{F469} **168B** Price of a car: accessories not included in list price.

F470

Textual Amendments

F469 Ss. 168A-168G inserted (with effect for the year 1994-95 and subsequent years of assessment) by 1993 c. 34, s. 72, Sch. 3 paras. 4, 7

F470 Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

^{F471} **168C** Price of a car: accessories available after car first made available.

F472

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Textual Amendments

- F471** Ss. 168A-168G inserted (with effect for the year 1994-95 and subsequent years of assessment) by 1993 c. 34, s. 72, Sch. 3 paras. 4, 7
- F472** Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

F473 168D Price of a car: capital contributions.

F474

Textual Amendments

- F473** Ss. 168A-168G inserted (with effect for the year 1994-95 and subsequent years of assessment) by 1993 c. 34, s. 72, Sch. 3 paras. 4, 7
- F474** Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

F475 168E Price of a car: replacement accessories.

F476

Textual Amendments

- F475** Ss. 168A-168G inserted (with effect for the year 1994-95 and subsequent years of assessment) by 1993 c. 34, s. 72, Sch. 3 paras. 4, 7
- F476** Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

F477 168F Price of a car: classic cars.

F478

Textual Amendments

- F477** Ss. 168A-168G inserted (with effect for the year 1994-95 and subsequent years of assessment) by 1993 c. 34, s. 72, Sch. 3 paras. 4, 7
- F478** Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

F479 168G Price of a car: cap for expensive car.

F480

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Textual Amendments

- F479** Ss. 168A-168G inserted (with effect for the year 1994-95 and subsequent years of assessment) by 1993 c. 34, s. 72, Sch. 3 paras. 4, 7
- F480** Ss. 160-168G repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 24, **Sch. 8 Pt. 1** (with Sch. 7)

CHAPTER III

PROFIT-RELATED PAY

Preliminary

169 Interpretation.

F481

Textual Amendments

- F481** Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), **Sch. 18 Pt. 6(3)**, Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

170 Taxation of profit-related pay.

F482

Textual Amendments

- F482** Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), **Sch. 18 Pt. 6(3)**, Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

The relief

171 Relief from tax.

F483

Textual Amendments

- F483** Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), **Sch. 18 Pt. 6(3)**, Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

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172 Exceptions from tax.

F484

Textual Amendments
F484 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), Sch. 18 Pt. 6(3), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

Registration

173 Persons who may apply for registration.

F485

Textual Amendments
F485 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), Sch. 18 Pt. 6(3), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

174 Excluded employments.

F486

Textual Amendments
F486 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), Sch. 18 Pt. 6(3), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

175 Applications for registration.

F487

Textual Amendments
F487 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), Sch. 18 Pt. 6(3), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

176 Registration.

F488

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Textual Amendments

F488 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by [Finance Act 1997 \(c. 16\)](#), [Sch. 18 Pt. 6\(3\)](#), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

177 Change of scheme employer.

F489

Textual Amendments

F489 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by [Finance Act 1997 \(c. 16\)](#), [Sch. 18 Pt. 6\(3\)](#), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

[^{F490}177A] Death of scheme employer.

F491]

Textual Amendments

F490 Ss. 177A, 177B inserted by [Finance Act 1989 \(c. 26\)](#), [Sch. 4 para. 3](#)
F491 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by [Finance Act 1997 \(c. 16\)](#), [Sch. 18 Pt. 6\(3\)](#), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

177B Alteration of scheme's terms.

F492

Textual Amendments

F492 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by [Finance Act 1997 \(c. 16\)](#), [Sch. 18 Pt. 6\(3\)](#), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

178 Cancellation of registration.

F493

Textual Amendments

F493 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by [Finance Act 1997 \(c. 16\)](#), [Sch. 18 Pt. 6\(3\)](#), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

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Administration

179 Recovery of tax from scheme employer.

F494

Textual Amendments
F494 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), Sch. 18 Pt. 6(3), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

180 Annual returns etc.

F495

Textual Amendments
F495 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), Sch. 18 Pt. 6(3), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

181 Other information.

F496

Textual Amendments
F496 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), Sch. 18 Pt. 6(3), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

182 Appeals.

F497

Textual Amendments
F497 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), Sch. 18 Pt. 6(3), Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

Supplementary

183 Partnerships.

F498

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Textual Amendments

F498 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), **Sch. 18 Pt. 6(3)**, Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

184 Independent accountants.

F499

Textual Amendments

F499 Ss. 169-184 (Pt. 5 Ch. 3) repealed (with effect in accordance with s. 61(2)(3) of the repealing Act) by Finance Act 1997 (c. 16), **Sch. 18 Pt. 6(3)**, Note 1 (with saving in Note 2; and Ch. 3 modified, as so saved, by s. 61(1) of the repealing Act)

CHAPTER IV

OTHER EXEMPTIONS AND RELIEFS

Share option and profit sharing schemes

185 Approved share option schemes.

F500

Textual Amendments

F500 S. 185 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1)**, Sch. 6 para. 25, **Sch. 8 Pt. 1** (with Sch. 7)

186 Approved profit sharing schemes.

- (1) ^{M8}The provisions of this section apply where, after 5th April 1979 [^{F501}and before 1st January 2003], the trustees of an approved profit sharing scheme appropriate shares—
 - (a) which have previously been acquired by the trustees, and
 - (b) as to which the conditions in Part II of Schedule 9 are fulfilled,to an individual who participates in the scheme (“the participant”).
- (2) ^{M9}Notwithstanding that, by virtue of such an appropriation of shares as is mentioned in subsection (1) above, the beneficial interest in the shares passes to the participant to whom they are appropriated—
 - (a) the value of the shares at the time of the appropriation shall be treated as not being income of his chargeable to tax under Schedule E; and
 - (b) he shall not be chargeable to income tax under that Schedule by virtue of [^{F502}section 78 or 79 of the Finance Act 1988 in respect of the shares] or by

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virtue of section 162 in any case where the shares are appropriated to him at an undervalue within the meaning of that section.

- (3)^{M10} Subject to the provisions of this section and paragraph 4 of Schedule 10, if, in respect of or by reference to any of a participant's shares, the trustees become or the participant becomes entitled, before the release date, to receive any money or money's worth ("a capital receipt"),^{F503} . . . the appropriate percentage (determined as at the time the trustees become or the participant becomes so entitled) of so much of the amount or value of the receipt as exceeds the appropriate allowance for that year, as determined under subsection (12) below^{F504} counts as employment income of the participant for the year of assessment in which the entitlement arises].
- (4)^{M11} If the trustees dispose of any of a participant's shares at any time before the release date or, if it is earlier, the date of the participant's death, then, subject to subsections (6) and (7) below,^{F505} . . . the appropriate percentage of the locked-in value of the shares at the time of the disposal^{F506} counts as employment income of the participant for the year of assessment in which the disposal takes place].
- (5)^{M12} Subject to paragraphs 5 and 6(6) of Schedule 10, the locked-in value of a participant's shares at any time is—
- (a) if prior to that time he has become^{F507} entitled to a capital receipt (within the meaning of subsection (3) above) which is referable to those shares and—
 - (i) an amount calculated by reference to that capital receipt counts as his employment income by virtue of subsection (3) above, or
 - (ii) if the entitlement to the capital receipt arose before 6th April 2003, he was chargeable to income tax by virtue of that subsection (as it had effect before that date) in respect of that capital receipt,]

the amount by which their initial market value exceeds the amount or value of that capital receipt or, if there has been more than one such receipt, the aggregate of them; and
 - (b) in any other case, their initial market value.
- (6) Subject to subsection (7) below, if, on a disposal of shares falling within subsection (4) above, the proceeds of the disposal are less than the locked-in value of the shares at the time of the disposal, subsection (4) above shall have effect as if that locked-in value were reduced to an amount equal to the proceeds of the disposal.
- (7) If, at any time prior to the disposal of any of a participant's shares, a payment was made to the trustees to enable them to exercise rights arising under a rights issue, then, subject to subsection (8) below, subsections (4) and (6) above shall have effect as if the proceeds of the disposal were reduced by an amount equal to that proportion of that payment or, if there was more than one, of the aggregate of those payments which, immediately before the disposal, the market value of the shares disposed of bore to the market value of all the participant's shares held by the trustees at that time.
- (8)^{M13} For the purposes of subsection (7) above—
- (a) no account shall be taken of any payment to the trustees if or to the extent that it consists of the proceeds of a disposal of rights arising under a rights issue; and
 - (b) in relation to a particular disposal the amount of the payment or, as the case may be, of the aggregate of the payments referred to in that subsection shall be taken to be reduced by an amount equal to the total of the reduction (if any) previously made under that subsection in relation to earlier disposals;

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and any reference in subsection (7) or paragraph (a) above to the rights arising under a rights issue is a reference to rights conferred in respect of a participant's shares, being rights to be allotted, on payment, other shares or securities or rights of any description in the same company.

(9) ^{M14}If at any time the participant's beneficial interest in any of his shares is disposed of, the shares in question shall be treated for the purposes of the relevant provisions as having been disposed of at that time by the trustees for (subject to subsection (10) below) the like consideration as was obtained for the disposal of the beneficial interest; and for the purposes of this subsection there is no disposal of the participant's beneficial interest if and at the time when—

- (a) in England and Wales or Northern Ireland, that interest becomes vested in any person on the insolvency of the participant or otherwise by operation of law, or
- (b) in Scotland, that interest becomes vested in a judicial factor, in a trustee on the participant's sequestrated estate or in a trustee for the benefit of the participant's creditors.

(10) If—

- (a) a disposal of shares falling within subsection (4) above is a transfer to which paragraph 2(2)(c) of Schedule 9 applies, or
- ^{F508}(b) any other disposal falling within that subsection is not at arm's length,
- (c) a disposal of shares falling within ^{F509}that subsection] is one which is treated as taking place by virtue of subsection (9) above and takes place within the period of retention,

then for the purposes of the relevant provisions the proceeds of the disposal shall be taken to be equal to the market value of the shares at the time of the disposal.

(11) ^{M15}Where the trustees of an approved scheme acquire any shares as to which the requirements of Part II of Schedule 9 are fulfilled and, within the period of 18 months beginning with the date of their acquisition, those shares are appropriated in accordance with the scheme, section 686 shall not apply to income consisting of dividends on those shares received by the trustees; and, for the purpose of determining whether any shares are appropriated within that period, shares which were acquired at an earlier time shall be taken to be appropriated before shares of the same class which were acquired at a later time.

(12) ^{M16}For the purposes of subsection (3) above, "the appropriate allowance", in relation to any year of assessment, means a sum which, subject to a maximum of ^{F510}£60], is the product of multiplying £20 by 1 plus the number of years which fall within the period of ^{F511}three years] immediately preceding the year in question and in which shares were appropriated to the participant under the scheme; and if in any year (and before the release date) the trustees become or the participant becomes entitled, in respect of or by reference to any of his shares, to more than one capital receipt, the receipts shall be set against the appropriate allowance for that year in the order in which they are received.

(13) Schedule 10 shall have effect with respect to profit sharing schemes.

Textual Amendments

F501 Words in s. 186(1) inserted (28.7.2000) by [Finance Act 2000 \(c. 17\), s. 49\(3\)](#)

F502 Words in s. 186(2)(b) substituted (in respect of acquisitions of shares on or after 26.10.1987) by [Finance Act 1988 \(c. 39\), s. 89](#)

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- F503** Words in s. 186(3) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 26\(2\)\(a\), Sch. 8 Pt. 1 \(with Sch. 7\)](#)
- F504** Words in s. 186(3) added (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 26\(2\)\(b\) \(with Sch. 7\)](#)
- F505** Words in s. 186(4) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 26\(3\)\(a\), Sch. 8 Pt. 1 \(with Sch. 7\)](#)
- F506** Words in s. 186(4) added (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 26\(3\)\(b\) \(with Sch. 7\)](#)
- F507** Words in s. 186(5)(a) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 26\(4\) \(with Sch. 7\)](#)
- F508** S. 186(10)(b) substituted (with effect in accordance with s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 134\(1\), Sch. 20 para. 11\(a\)](#)
- F509** Words in s. 186(10)(c) substituted (with effect in accordance with s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 134\(1\), Sch. 20 para. 11\(b\)](#)
- F510** Words in s. 186(12) substituted (with effect in accordance with s. 118(2) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 118\(1\)\(a\)](#)
- F511** Words in s. 186(12) substituted (with effect in accordance with s. 118(2) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 118\(1\)\(b\)](#)

Modifications etc. (not altering text)

- C19** S. 186 modified (29.4.1996) by [Finance Act 1996 \(c. 8\), ss. 115\(1\), 116\(3\)](#)
- C20** S. 186 continued (6.4.2003 with effect in accordance with s. 723(1) of the affecting Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 418\(3\) \(with Sch. 7\)](#)

Marginal Citations

- M8** Source—1978 s.53(1)
- M9** Source—1978 s.53(3)
- M10** Source—1978 s.56(1); 1982 s.42(1)
- M11** Source—1978 s.55(1)
- M12** Source—1978 s.55(2)-(4)
- M13** Source—1978 s.55(5), (9)
- M14** Source—1978 s.55(7), (8)
- M15** Source—1978 s.53(6)
- M16** Source—1978 s.56(6); 1980 s.46(6); 1982 s.42(2); 1985 s.45(4)

187 Interpretation of sections 185 and 186 and Schedules 9 and 10.

- (1) [^{F512M17}In sections 185 and 186, this section and Schedules 9 and 10 “the relevant provisions” means those sections (including this section) and Schedules.]
- (2) [^{F512}For the purposes of the relevant provisions, except where the context otherwise requires—
- “appropriate percentage” shall be construed in accordance with paragraph 3 of Schedule 10;
- “approved”, in relation to a scheme, means approved under Schedule 9;
- “associated company” has the same meaning as in section 416, except that, for the purposes of paragraph 23 of Schedule 9, subsection (1) of that section shall have effect with the omission of the words “ or at any time within one year previously ”;
- “bonus date” has the meaning given by paragraph 17 of Schedule 9;

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“capital receipt” means money or money’s worth to which the trustees of or a participant in a profit sharing scheme become or becomes entitled as mentioned in section 186(3), but subject to paragraph 4 of Schedule 10;

“certified contractual savings scheme” has the meaning given by section 326;

“control” has the same meaning as in section 840;

“grantor”, in relation to any scheme, means the company which has established the scheme;

“group scheme” and, in relation to such a scheme, “participating company” have the meanings given by paragraph 1(3) and (4) of Schedule 9;

“initial market value”, in relation to shares in a profit sharing scheme, has the meaning given by paragraph 30(4) of Schedule 9;

“locked-in value”, in relation to any shares, shall be construed in accordance with section 186(5);

“market value” has the same meaning as in Part VIII of the [F513 1992 Act];

“new holding” has the meaning given by section [F513 126(1)(b) of the 1992 Act];

“participant”, in relation to a profit sharing scheme, means an individual to whom the trustees of the scheme have appropriated shares;

“participant’s shares”, in relation to a participant in a profit sharing scheme, means, subject to paragraph 5(4) of Schedule 10, shares which have been appropriated to the participant by the trustees;

F514

.....

“period of retention” has the meaning given by paragraph 2 of Schedule 10;

“release date”, in relation to any of the shares of a participant in a profit sharing scheme, means the [F515 third] anniversary of the date on which they were appropriated to him;

“relevant amount”, in relation to a participant in a profit sharing scheme, means an amount which is [F516 not less than £3,000 and not more than £8,000] but which, subject to that, is 10 per cent. of his salary (determined under subsection (5) below) for the year of assessment in question or the preceding year of assessment, whichever is the greater;

“relevant requirements” has the meaning given by paragraph 1 of Schedule 9;

“savings-related share option scheme” has the meaning given by paragraph 1 of Schedule 9;

“scheme” means a savings-related share option scheme, a share option scheme which is not a savings-related share option scheme or a profit sharing scheme, as the context may require;

“shares” includes stock;

[F517 “specified age”, in relation to a scheme, means the age specified in pursuance of paragraph 8A of Schedule 9 as the specified age for the purposes of the scheme;]

“the trustees”, in relation to an approved profit sharing scheme or the shares of a participant in such a scheme, means the body of persons for the establishment of which the scheme must provide as mentioned in paragraph 30 of Schedule 9; and

“just instrument”, in relation to an approved profit sharing scheme, means the instrument referred to in paragraph 30(1)(c) of Schedule 9.]

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- (3) ^{F512M18}For the purposes of the application of the relevant provisions in relation to any share option scheme or profit sharing scheme, a person has a material interest ^{F518}in a company if he, either on his own or with one or more associates, or if any associate of his with or without such other associates,—
- (a) is the beneficial owner of, or able, directly or through the medium of other companies, or by any other indirect means to control, more than 25 per cent., or in the case of a share option scheme which is not a savings-related share option scheme more than 10 per cent., of the ordinary share capital of the company, or
 - (b) where the company is a close company, possesses, or is entitled to acquire, such rights as would, in the event of the winding-up of the company or in any other circumstances, give an entitlement to receive more than 25 per cent., or in the case of a share option scheme which is not a savings-related share option scheme more than 10 per cent., of the assets which would then be available for distribution among the participators.]
- In this subsection “associate” has the meaning given by section 417(3) and
- (4) ^{F518}and “participator” has the meaning given by section 417(1)].]
- (4) ^{F512M19}Subsection (3) above shall have effect subject to the provisions of Part VI of Schedule 9.]
- (5) ^{M20}For the purposes of subsection (2) above, a participant’s salary for a year of assessment means such of the emoluments of the office or employment by virtue of which he is entitled to participate in a profit sharing scheme as are liable to be paid in that year under deduction of tax pursuant to section 203 after deducting therefrom amounts included by virtue of Chapter II of this Part.
- (6) ^{F512M21}Section 839 shall apply for the purposes of the relevant provisions.]
- (7) ^{F512M22}For the purposes of the relevant provisions a company is a member of a consortium owning another company if it is one of a number of companies which between them beneficially own not less than three-quarters of the other company’s ordinary share capital and each of which beneficially owns not less than one-twentieth of that capital.]
- (8) ^{M23}Where the disposal referred to in section 186(4) is made from a holding of shares which were appropriated to the participant at different times, then, in determining for the purposes of the relevant provisions—
- (a) the initial market value and the locked-in value of each of those shares, ^{F519} . . .
 - (b) ^{F519}
- (9) ^{M24}Any of the relevant provisions with respect to—
- (a) the order in which any of a participant’s shares are to be treated as disposed of for the purposes of those provisions, or
 - (b) the shares in relation to which an event is to be treated as occurring for any such purpose,
- shall have effect in relation to a profit sharing scheme notwithstanding any direction given to the trustees with respect to shares of a particular description or to shares appropriated to the participant at a particular time.
- (10) ^{M25}In the relevant provisions “workers’ cooperative” means a ^{F520}registered society^{F521}], as defined in ^{F522}section 1119 of CTA 2010]], which is a cooperative society and the rules of which include provisions which secure—

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- (a) that the only persons who may be members of it are those who are employed by, or by a subsidiary of, the society and those who are the trustees of its profit sharing scheme; and
- (b) that, subject to any provision about qualifications for membership which is from time to time made by the members of the society by reference to age, length of service or other factors of any description, all such persons may be members of the society;

and in this subsection “cooperative society” has the same meaning as in [^{F523}section 2 of the Co-operative and Community Benefit Societies Act 2014] or, as the case may be, [^{F524}section 1 of] the ^{M26}Industrial and Provident Societies Act (Northern Ireland) 1969.

Textual Amendments

- F512** S. 187(1)-(4)(6)(7) repealed (except so far as relating to profit sharing schemes) (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 27, Sch. 8 Pt. 1](#) (with Sch. 7)
- F513** Words in s. 187(2) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\), ss. 289, 290, Sch. 10 para. 14\(13\)](#) (with ss. 60, 101(1), 171, 201(3)).
- F514** S. 187(2): definition of “pensionable age” repealed (19.7.1995) by [Pensions Act 1995 \(c. 26\), ss. 126, 177, 180\(2\)\(a\), Sch. 4 para. 12\(a\), Sch. 7 Pt. 2](#)
- F515** Word in s. 187(2) substituted (with effect in accordance with s. 116(2)(3) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 116\(1\)](#)
- F516** Words in s. 187(2) substituted (for the year 1991-92 and subsequent years of assessment) by virtue of [Finance Act 1991 \(c. 31\), s. 41\(1\)\(2\)](#)
- F517** S. 187(2): definition of “specified age” inserted by [Finance Act 1991 \(c. 31\), s. 38\(4\)](#)
- F518** Words in s. 187(3) substituted (in relation to accounting periods beginning after 31.3.1989) by [Finance Act 1989 \(c. 26\), Sch. 12 para. 9](#)
- F519** S. 187(8)(b) and preceding word repealed (with effect in accordance with s. 117(3) of the repealing Act) by [Finance Act 1996 \(c. 8\), ss. 117\(2\), 205, Sch. 41 Pt. 5\(5\)](#), Note 1
- F520** Words in s. 187(10) substituted (1.8.2014 in accordance with s. 154 of the amending Act) by Co-operative and [Community Benefit Societies Act 2014 \(c. 14\), Sch. 4 para. 40\(a\)](#) (with Sch. 5)
- F521** Words in s. 187(10) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 95](#) (with Sch. 2 Pts. 1, 2)
- F522** Words in s. 187(10) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 13](#) (with Sch. 2)
- F523** Words in s. 187(10) substituted (1.8.2014 in accordance with s. 154 of the amending Act) by Co-operative and [Community Benefit Societies Act 2014 \(c. 14\), Sch. 4 para. 40\(b\)](#) (with Sch. 5)
- F524** Words in s. 187(10) inserted (1.8.2014 in accordance with s. 154 of the amending Act) by Co-operative and [Community Benefit Societies Act 2014 \(c. 14\), Sch. 4 para. 40\(c\)](#) (with Sch. 5)

Modifications etc. (not altering text)

- C21** S. 187 modified (29.4.1996) by [Finance Act 1996 \(c. 8\), ss. 115\(1\), 116\(3\)](#)
- C22** S. 187 applied (29.4.1996) by [Finance Act 1996 \(c. 8\), s. 114, Sch. 16 para. 5\(1\)](#)
- C23** S. 187 continued so far as relating to APS schemes (6.4.2003 with effect in accordance with s. 723(1) of the affecting Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 418\(3\)](#) (with Sch. 7)

Marginal Citations

- M17** Source—1978 ss.53(2), 54(2), (4)(b), 6, 56(1), 57(1), (4), 61(1), Sch.9 1, 16; 1980 s.46(4), Sch.10 5(b), 8, 26(1); 1982 s.40(8); 1983 s.25(1); 1984 Sch.10 15(1), (2); 1985 s.45(2)
- M18** Source—1970 s.285(6); 1978 Sch.9 11(3)(b); 1980 Sch.10 26(2); 1984 Sch.10 4(4)

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- M19** Source—1987 s.33(2)
M20 Source—1978 s.61(4); 1983 s.25(2)
M21 Source—1978 Sch.9 16; 1980 Sch.10 26(4); 1984 Sch.10 15(3)
M22 Source—1978 Sch.9 17; 1980 Sch.10 26(5); 1984 Sch.10 15(4); 1986 s.23(5)
M23 Source—1978 s.55(6)
M24 Source—1978 s.61(2)
M25 Source—1978 Sch.9 18; 1986 s.24(1)
M26 1969 c. 24. (N.I.).

^{F525} Contributions in respect of share option gains

Textual Amendments

- F525** S. 187A and preceding cross-heading inserted (with application in accordance with s. 56(1) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [s. 56\(1\)](#)

187A Relief for contributions in respect of share option gains.

^{F526}]

Textual Amendments

- F526** S. 187A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 28(a), [Sch. 8 Pt. 1](#) (with Sch. 7)

Retirement benefits etc.

188 Exemptions from section 148.

^{F527}

Textual Amendments

- F527** S. 188 repealed (with application in accordance with s. 58(4) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), s. 165, [Sch. 27 Pt. 3\(9\)](#), Note

189 Lump sum benefits on retirement.

^{F528}

Textual Amendments

- F528** Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 28(b), [Sch. 8 Pt. 1](#) (with Sch. 7)

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190 Payments to MPs and others.

F529

Textual Amendments

F529 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

191 Job release scheme allowances not to be treated as income.

F530

Textual Amendments

F530 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

[^{F531} Removal expenses and benefits

Textual Amendments

F531 Ss. 191A, 191B and preceding cross-heading inserted (27.7.1993) by Finance Act 1993 (c. 34), s. 76, **Sch. 5 para.1**

^{F532}191A Removal expenses and benefits.

F533

Textual Amendments

F532 Ss. 191A, 191B and preceding cross-heading inserted (27.7.1993) by Finance Act 1993 (c. 34), s. 76, **Sch. 5 para.1**

F533 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

^{F534}191B Removal benefits: beneficial loan arrangements.

F535]

Textual Amendments

F534 Ss. 191A, 191B and preceding cross-heading inserted (27.7.1993) by Finance Act 1993 (c. 34), s. 76, **Sch. 5 para.1**

F535 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

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Foreign emoluments and earnings, pensions and certain travel facilities

192 Relief from tax for foreign emoluments.

F536

Textual Amendments

F536 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

[^{F537} **192A Foreign earnings deduction for seafarers.**

F538]

Textual Amendments

F537 S. 192A inserted (with effect in accordance with s. 63(5) of the amending Act) by Finance Act 1998 (c. 36), s. 63(2) (with s. 63(6)(7))

F538 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

193 Foreign earnings and travel expenses.

F539

Textual Amendments

F539 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

194 Other foreign travel expenses.

F540

Textual Amendments

F540 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

195 Travel expenses of employees not domiciled in the United Kingdom.

F541

Textual Amendments

F541 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

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196 Foreign pensions.

F542

Textual Amendments

F542 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

197 Leave travel facilities for the armed forces.

F543

Textual Amendments

F543 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

[^{F544}197A Car parking facilities

F545]

Textual Amendments

F544 S. 197A inserted (1988-89 and subsequent years of assessment) by Finance Act 1988 (c. 39), **s. 46(4)**
F545 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

[^{F546}197AA Works bus services.

F547

Textual Amendments

F546 Ss. 197AA, 197AB inserted (with effect in accordance with s. 48(2) of the amending Act) by Finance Act 1999 (c. 16), **s. 48(1)**
F547 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

197AB Support for public transport road services.

F548]

Textual Amendments

F546 Ss. 197AA, 197AB inserted (with effect in accordance with s. 48(2) of the amending Act) by Finance Act 1999 (c. 16), **s. 48(1)**

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F548 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 28\(b\), Sch. 8 Pt. 1](#) (with Sch. 7)

[^{F549} 197AC Provision of cycle or cyclist’s safety equipment.

^{F550}

Textual Amendments

F549 S. 197AC inserted (with effect in accordance with s. 50(3) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 50\(1\)](#)

F550 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 28\(b\), Sch. 8 Pt. 1](#) (with Sch. 7)

[^{F551} Mileage allowances

Textual Amendments

F551 Ss. 197AD-197AH and preceding cross-heading inserted (with effect in accordance with s. 57(4) of the amending Act) by [Finance Act 2001 \(c. 9\), s. 57\(1\)](#)

197AD Mileage allowance payments

^{F552}

Textual Amendments

F552 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 28\(b\), Sch. 8 Pt. 1](#) (with Sch. 7)

197AE Passenger payments

^{F553}

Textual Amendments

F553 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 28\(b\), Sch. 8 Pt. 1](#) (with Sch. 7)

197AF Mileage allowance relief

^{F554}

Textual Amendments

F554 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 28\(b\), Sch. 8 Pt. 1](#) (with Sch. 7)

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197AG Giving effect to mileage allowance relief

F555

Textual Amendments

F555 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

197AH Interpretation of sections 197AD to 197AG

F556]

Textual Amendments

F556 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

[^{F557} Mileage allowances

Textual Amendments

F557 Ss. 197B-197F and preceding cross-heading inserted by Finance Act 1990 (c. 29), s. 23, **Sch. 4**

197B

F558

Textual Amendments

F558 Ss. 197B-197F repealed (with effect in accordance with Sch. 33 Pt. 2(1) Note of the repealing Act) by Finance Act 2001 (c. 9), **Sch. 33 Pt. 2(1)**

197C

F559

Textual Amendments

F559 Ss. 197B-197F repealed (with effect in accordance with Sch. 33 Pt. 2(1) Note of the repealing Act) by Finance Act 2001 (c. 9), **Sch. 33 Pt. 2(1)**

197D

F560

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

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Textual Amendments

F560 Ss. 197B-197F repealed (with effect in accordance with Sch. 33 Pt. 2(1) Note of the repealing Act) by Finance Act 2001 (c. 9), **Sch. 33 Pt. 2(1)**

197E

F561

.....

Textual Amendments

F561 Ss. 197B-197F repealed (with effect in accordance with Sch. 33 Pt. 2(1) Note of the repealing Act) by Finance Act 2001 (c. 9), **Sch. 33 Pt. 2(1)**

197F

F562]

.....

Textual Amendments

F562 Ss. 197B-197F repealed (with effect in accordance with Sch. 33 Pt. 2(1) Note of the repealing Act) by Finance Act 2001 (c. 9), **Sch. 33 Pt. 2(1)**

[^{F563} Sporting and recreational facilities

.....

Textual Amendments

F563 S. 197G and preceding cross-heading inserted (27.7.1993 with application for the year 1993-94 and subsequent years of assessment) by Finance Act 1993 (c. 34), **s. 75(1)(2)**

197G **Sporting and recreational facilities.**

F564

.....

Textual Amendments

F564 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(b), **Sch. 8 Pt. 1** (with Sch. 7)

Other expenses, subscriptions etc.

198 **Relief for necessary expenses.**

F565

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Textual Amendments

F565 Ss. 189-198 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 28\(b\)](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

[^{F566}**198A**.....]

^{F567}.....]

Textual Amendments

F566 S. 198A inserted (with effect in accordance with s. 62(5) of the amending Act) by [Finance Act 1997 \(c. 16\)](#), [s. 62\(2\)](#)

F567 S. 198A repealed (with effect in accordance with Sch. 27 Pt. 3(10) Note of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), s. 165, [Sch. 27 Pt. 3\(10\)](#)

199 Expenses necessarily incurred and defrayed from official emoluments.

^{F568}.....]

Textual Amendments

F568 Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 28\(c\)](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

200 Expenses of Members of Parliament.

^{F569}.....]

Textual Amendments

F569 Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 28\(c\)](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

[^{F570}**200ZA Expenses of members of Scottish Parliament, National Assembly for Wales or Northern Ireland Assembly.**

^{F571}.....]

Textual Amendments

F570 S. 200ZA inserted (with effect in accordance with s. 52(2) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), s. 52(1), [Sch. 5 para. 2\(1\)](#)

F571 Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 28\(c\)](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

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[^{F572}200AAccidental benefits for holders of certain offices etc.

^{F573}]

Textual Amendments
F572 S. 200AA inserted (with effect in accordance with s. 108(2) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 108\(1\)](#)
F573 Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 28\(c\), Sch. 8 Pt. 1 \(with Sch. 7\)](#)

[^{F574}200AIncidental overnight expenses.

^{F575}]

Textual Amendments
F574 S. 200A inserted (with effect in accordance with s. 93(5) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 93\(4\)](#)
F575 Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 28\(c\), Sch. 8 Pt. 1 \(with Sch. 7\)](#)

[^{F576}200BWork-related training provided by employers.

^{F577}

Textual Amendments
F576 Ss. 200B-200D inserted (with application in accordance with s. 63(3) of the amending Act) by [Finance Act 1997 \(c. 16\), s. 63\(1\)](#)
F577 Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 28\(c\), Sch. 8 Pt. 1 \(with Sch. 7\)](#)

200C Expenditure excluded from section 200B.

^{F578}

Textual Amendments
F576 Ss. 200B-200D inserted (with application in accordance with s. 63(3) of the amending Act) by [Finance Act 1997 \(c. 16\), s. 63\(1\)](#)
F578 Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 28\(c\), Sch. 8 Pt. 1 \(with Sch. 7\)](#)

200D Other work-related training.

^{F579}]

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Textual Amendments

- F576** Ss. 200B-200D inserted (with application in accordance with s. 63(3) of the amending Act) by Finance Act 1997 (c. 16), s. 63(1)
- F579** Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(c), Sch. 8 Pt. 1 (with Sch. 7)

[^{F580}**200E Education and training funded by employers.**

F581

Textual Amendments

- F580** Ss. 200E-200H, 200J inserted (with application in accordance with s. 58(3) of the amending Act) by Finance Act 2000 (c. 17), s. 58(1)
- F581** Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(c), Sch. 8 Pt. 1 (with Sch. 7)

200F Section 200E: exclusion of expenditure not directly related to training.

F582

Textual Amendments

- F580** Ss. 200E-200H, 200J inserted (with application in accordance with s. 58(3) of the amending Act) by Finance Act 2000 (c. 17), s. 58(1)
- F582** Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(c), Sch. 8 Pt. 1 (with Sch. 7)

200G Section 200E: exclusion of expenditure if contributions not generally available to staff.

F583

Textual Amendments

- F580** Ss. 200E-200H, 200J inserted (with application in accordance with s. 58(3) of the amending Act) by Finance Act 2000 (c. 17), s. 58(1)
- F583** Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(c), Sch. 8 Pt. 1 (with Sch. 7)

200H Section 200E: exclusion of expenditure otherwise relieved.

F584

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Textual Amendments

- F580** Ss. 200E-200H, 200J inserted (with application in accordance with s. 58(3) of the amending Act) by Finance Act 2000 (c. 17), **s. 58(1)**
- F584** Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(c), **Sch. 8 Pt. 1** (with Sch. 7)

200J Education or training funded by third parties.

F585]

Textual Amendments

- F580** Ss. 200E-200H, 200J inserted (with application in accordance with s. 58(3) of the amending Act) by Finance Act 2000 (c. 17), **s. 58(1)**
- F585** Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(c), **Sch. 8 Pt. 1** (with Sch. 7)

201 Fees and subscriptions to professional bodies, learned societies etc.

F586

Textual Amendments

- F586** Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(c), **Sch. 8 Pt. 1** (with Sch. 7)

[^{F587}201AA Employee liabilities and indemnity insurance.

F588]

Textual Amendments

- F587** S. 201AA inserted (with effect in accordance with s. 91(3) of the amending Act) by Finance Act 1995 (c. 4), **s. 91(1)**
- F588** Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(c), **Sch. 8 Pt. 1** (with Sch. 7)

[^{F589}201A Expense of entertainers.

F590]

Textual Amendments

- F589** S. 201A inserted by Finance Act 1990 (c. 29), **s. 77**
- F590** Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(c), **Sch. 8 Pt. 1** (with Sch. 7)

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202 Donations to charity: payroll deduction scheme.

F591

Textual Amendments

F591 Ss. 199-202 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 28(c), **Sch. 8 Pt. 1** (with Sch. 7)

CHAPTER V

ASSESSMENT, COLLECTION, RECOVERY AND APPEALS

[^{F592}**202A Assessment on receipts basis.**

F593]

Textual Amendments

F592 Ss. 202A, 202B inserted by Finance Act 1989 (c. 26), s. 37
F593 Ss. 202A, 202B repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 29, **Sch. 8 Pt. 1** (with Sch. 7)

202B Receipts basis: meaning of receipt.

F594

Textual Amendments

F594 Ss. 202A, 202B repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 29, **Sch. 8 Pt. 1** (with Sch. 7)

203 Pay as you earn.

F595

Textual Amendments

F595 Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 30, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F596}**203A P.A.Y.E.: meaning of payment.**

F597]

Textual Amendments

F596 S. 203A inserted by Finance Act 1989 (c. 26), s. 37(2)(4)(5)

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F597 Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 30, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F598}203BPAYE: payment by intermediary.

F599]

Textual Amendments
F598 S. 203B inserted (3.5.1994) by Finance Act 1994 (c. 9), s. 125
F599 Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 30, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F600}203CPAYE: employee of non-UK employer.

F601]

Textual Amendments
F600 Ss. 203C-203E inserted (3.5.1994) by Finance Act 1994 (c. 9), s. 126
F601 Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 30, **Sch. 8 Pt. 1** (with Sch. 7)

203D PAYE: employee non-resident, etc.

F602]

Textual Amendments
F600 Ss. 203C-203E inserted (3.5.1994) by Finance Act 1994 (c. 9), s. 126
F602 Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 30, **Sch. 8 Pt. 1** (with Sch. 7)

203E PAYE: mobile UK workforce.

F603]

Textual Amendments
F600 Ss. 203C-203E inserted (3.5.1994) by Finance Act 1994 (c. 9), s. 126
F603 Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 30, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F604}203FPAYE: tradeable assets.

F605]

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Textual Amendments

- F604** S. 203F inserted (3.5.1994) by [Finance Act 1994 \(c. 9\), s. 127](#)
- F605** Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 30, Sch. 8 Pt. 1](#) (with Sch. 7)

[^{F606}~~203FA~~**YE: enhancing the value of an asset.**

^{F607}]

Textual Amendments

- F606** S. 203FA inserted (with effect in accordance with s. 66(2) of the amending Act) by [Finance Act 1998 \(c. 36\), s. 66\(1\)](#) (with s. 66(3))
- F607** Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 30, Sch. 8 Pt. 1](#) (with Sch. 7)

[^{F608}~~203FB~~**YE: gains from share options etc.**

^{F609}]

Textual Amendments

- F608** S. 203FB inserted (with effect in accordance with s. 67(2) of the amending Act) by [Finance Act 1998 \(c. 36\), s. 67\(1\)](#) (with s. 67(3))
- F609** Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 30, Sch. 8 Pt. 1](#) (with Sch. 7)

[^{F610}~~203GC~~**PAVE: non-cash vouchers.**

^{F611}]

Textual Amendments

- F610** S. 203G inserted (3.5.1994) by [Finance Act 1994 \(c. 9\), s. 128](#)
- F611** Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 30, Sch. 8 Pt. 1](#) (with Sch. 7)

[^{F612}~~203HD~~**PAVE: credit-tokens.**

^{F613}]

Textual Amendments

- F612** S. 203H inserted (3.5.1994) by [Finance Act 1994 \(c. 9\), s. 129](#)
- F613** Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 30, Sch. 8 Pt. 1](#) (with Sch. 7)

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[^{F614}203IPAYE: cash vouchers.

^{F615}

Textual Amendments

F614 S. 203I inserted (3.5.1994) by [Finance Act 1994 \(c. 9\)](#), **s. 130**

F615 Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 30, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F616}203JS.203B to s.203I: accounting for tax.

^{F617}

Textual Amendments

F616 Ss. 203J-203L inserted (3.5.1994) by [Finance Act 1994 \(c. 9\)](#), **s. 131**

F617 Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 30, **Sch. 8 Pt. 1** (with Sch. 7)

203K Trading arrangements.

^{F618}

Textual Amendments

F616 Ss. 203J-203L inserted (3.5.1994) by [Finance Act 1994 \(c. 9\)](#), **s. 131**

F618 Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 30, **Sch. 8 Pt. 1** (with Sch. 7)

203L S.203B to s.203K: interpretation, etc.

^{F619}

Textual Amendments

F616 Ss. 203J-203L inserted (3.5.1994) by [Finance Act 1994 \(c. 9\)](#), **s. 131**

F619 Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 30, **Sch. 8 Pt. 1** (with Sch. 7)

204 P.A.Y.E repayments.

^{F620}

Textual Amendments

F620 Ss. 203-204 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 30, **Sch. 8 Pt. 1** (with Sch. 7)

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205 Assessments unnecessary in certain circumstances.

F621

Textual Amendments

F621 Ss. 205, 206 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 31, **Sch. 8 Pt. 1** (with Sch. 7)

206 Additional provision for certain assessments.

F622

Textual Amendments

F622 Ss. 205, 206 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 31, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F623}206APAYE settlement agreements.

F624]

Textual Amendments

F623 S. 206A inserted (29.4.1996) by Finance Act 1996 (c. 8), s. 110
F624 S. 206A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 32, **Sch. 8 Pt. 1** (with Sch. 7)

207 Disputes as to domicile or ordinary residence.

F625

Textual Amendments

F625 S. 207 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 32, **Sch. 8 Pt. 1** (with Sch. 7)

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PART VI

COMPANY DISTRIBUTIONS, TAX CREDITS ETC

CHAPTER I

TAXATION OF COMPANY DISTRIBUTIONS

Modifications etc. (not altering text)

C24 Pt. 6 Chs. 1-3: power to amend conferred (1.4.2009 with effect in accordance with s. 1329(1) of the affecting Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [s. 533\(2\)\(3\)\(d\)](#)

[^{F626}207A Application of lower rate to company distributions.

^{F627}

Textual Amendments

F626 [S. 207A](#) inserted (27.7.1993 with application in relation to the year 1993-94 and subsequent years of assessment) by [1993 c. 34](#), [s. 77\(1\)\(2\)\(5\)](#)

F627 [S. 207A](#) repealed (with effect in accordance with s. 73 of the repealing Act) by Finance Act 1996, Sch. 41 Pt. 5(1), Note 1

208 U.K. company distributions not generally chargeable to corporation tax.

^{F628}

Textual Amendments

F628 [S. 208](#) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 96](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F629}CHAPTER II

MATTERS WHICH ARE DISTRIBUTIONS FOR THE PURPOSES OF THE CORPORATION TAX ACTS]

Textual Amendments

F629 Pt. 6 Ch. 2 (ss. 209-211) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 14](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

209 Meaning of “distribution”.

^{F630}

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Textual Amendments

F630 Pt. 6 Ch. 2 (ss. 209-211) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 14, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F631} **209A Section 209(3AA): link to shares of company or associated company**

^{F632}

Textual Amendments

F631 Ss. 209A, 209B inserted (with effect in accordance with s. 102(3) of the amending Act) by [Finance Act 2002 \(c. 23\), s. 102\(2\)](#)

F632 Pt. 6 Ch. 2 (ss. 209-211) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 14, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

209B Section 209(3AA): hedging arrangements

^{F633}]

Textual Amendments

F631 Ss. 209A, 209B inserted (with effect in accordance with s. 102(3) of the amending Act) by [Finance Act 2002 \(c. 23\), s. 102\(2\)](#)

F633 Pt. 6 Ch. 2 (ss. 209-211) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 14, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

210 Bonus issue following repayment of share capital.

^{F634}

Textual Amendments

F634 Pt. 6 Ch. 2 (ss. 209-211) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 14, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

211 Matters to be treated or not to be treated as repayments of share capital.

^{F635}

Textual Amendments

F635 Pt. 6 Ch. 2 (ss. 209-211) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 14, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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[^{F636}CHAPTER III

MATTERS WHICH ARE NOT DISTRIBUTIONS FOR THE PURPOSES OF THE CORPORATION TAX ACTS]

Textual Amendments

F636 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Payments of interest

212 Interest etc. paid in respect of certain securities.

^{F637}

Textual Amendments

F637 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Demergers

213 Exempt distributions.

^{F638}

Textual Amendments

F638 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F639}213A Exempt distributions: division of business

^{F640}]

Textual Amendments

F639 S. 213A inserted (29.11.2007 with effect in accordance with reg. 3(1) of the amending S.I. (as retrospectively amended by [S.I. 2008/1579](#), [reg. 4\(1\)](#)) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2007 \(S.I. 2007/3186\)](#), [reg. 1\(2\)](#), [Sch. 1 para. 13](#)

F640 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

214 Chargeable payments connected with exempt distributions.

^{F641}

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Textual Amendments

F641 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

215 Advance clearance by Board of distributions and payments.

F642

Textual Amendments

F642 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

216 Returns.

F643

Textual Amendments

F643 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

217 Information.

F644

Textual Amendments

F644 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#)) (subject to the omission of s. 217(4), so far as it continues to have effect, by virtue of [Finance Act 2011 \(c. 11\)](#), [Sch. 23 paras. 55\(b\), 65](#))

218 Interpretation of sections 213 to 217.

F645

Textual Amendments

F645 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Purchase of own shares

219 Purchase by unquoted trading company of own shares.

F646

Textual Amendments

F646 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 15, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

220 Conditions as to residence and period of ownership.

F647

Textual Amendments

F647 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 15, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

221 Reduction of vendor's interest as shareholder.

F648

Textual Amendments

F648 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 15, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

222 Conditions applicable where purchasing company is member of group.

F649

Textual Amendments

F649 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 15, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

223 Other conditions.

F650

Textual Amendments

F650 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 15, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

224 Relaxation of conditions in certain cases.

F651

Textual Amendments

F651 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 15, Sch. 3 Pt. 1 (with Sch. 2)

225 Advance clearance of payments by Board.

F652

Textual Amendments

F652 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 15, Sch. 3 Pt. 1 (with Sch. 2)

226 Returns and information.

F653

Textual Amendments

F653 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 15, Sch. 3 Pt. 1 (with Sch. 2) (subject to the omission of s. 226(4), so far as it continues to have effect, by virtue of Finance Act 2011 (c. 11), Sch. 23 paras. 55(c), 65)

227 Associated persons.

F654

Textual Amendments

F654 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 15, Sch. 3 Pt. 1 (with Sch. 2)

228 Connected persons.

F655

Textual Amendments

F655 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 15, Sch. 3 Pt. 1 (with Sch. 2)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

229 Other interpretative provisions.

F656

Textual Amendments

F656 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Stock dividends

230 Stock dividends: distributions.

F657

Textual Amendments

F657 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F658}Industrial and provident society dividends etc

Textual Amendments

F658 S. 230A and preceding cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 100](#) (with [Sch. 2 Pts. 1, 2](#))

230A Dividend or bonus granted by industrial and provident society

F659]

Textual Amendments

F659 Pt. 6 Ch. 3 (ss. 212-230A) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 15](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

CHAPTER IV

TAX CREDITS

231 Tax credits for certain recipients of qualifying distributions.

F660

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F660 S. 231 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 16, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F661}**231A** **Restrictions on the use of tax credits by pension funds.**

^{F662}

Textual Amendments

F661 S. 231A inserted (with effect in accordance with s. 19(3) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), **s. 19(2)**

F662 S. 231A repealed (with effect in accordance with s. 30(11), Sch. 8 Pt. 2(9) Note 3 of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), s. 30(8), **Sch. 8 Pt. 2(9)**

[^{F663}**231AA** **No tax credit for borrower under stock lending arrangement or interim holder under repurchase agreement.**

^{F664}

Textual Amendments

F663 S. 231AA inserted (with effect in accordance with s. 102(9) of the amending Act) by Finance Act 1998 (c. 36), **s. 102(1)**

F664 S. 231AA repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 17, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F665}**231AB** **No tax credit for original owner under repurchase agreement in respect of certain manufactured dividends.**

^{F666}

Textual Amendments

F665 S. 231AB inserted (with effect in accordance with s. 102(10) of the amending Act) by Finance Act 1998 (c. 36), **s. 102(2)**

F666 S. 231AB repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 18, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F667}**231B** **Consequences of certain arrangements to pass on the value of a tax credit.**

^{F668}

Textual Amendments

F667 S. 231B inserted (with effect in accordance with s. 28(2) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), **s. 28(1)**

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

F668 S. 231B omitted (with effect in accordance with Sch. 1 para. 73(1) of the repealing Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 52(2)**

232 Tax credits for non-U.K. residents.

F669

Textual Amendments

F669 S. 232 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by **Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 117, Sch. 3 (with Sch. 2)**

233 Taxation of certain recipients of distributions and in respect of non-qualifying distributions.

F670

Textual Amendments

F670 S. 233 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by **Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 118, Sch. 3 (with Sch. 2)**

234 Information relating to distributions.

F671

Textual Amendments

F671 S. 234 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by **Corporation Tax Act 2010 (c. 4), Sch. 1 para. 20, Sch. 3 Pt. 1 (with Sch. 2)**

[^{F672}234A] Information relating to distributions: further provisions.

F673]

Textual Amendments

F672 S. 234A inserted (with application in relation to distributions begun after 16.7.1992) by **Finance (No. 2) Act 1992 (c. 48), s. 32(1)(4)**.

F673 S. 234A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by **Corporation Tax Act 2010 (c. 4), Sch. 1 para. 21, Sch. 3 Pt. 1 (with Sch. 2)**

^{F674}235 Distributions of exempt funds etc.

.....

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F674 Ss. 235-237 repealed (with effect in accordance with Sch. 4 para. 7(2), Sch. 8 Pt. 2(9) Note 3 of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 4 para. 7(1), **Sch. 8 Pt. 2(9)**

F675 **236 Provisions supplementary to section 235.**

Textual Amendments

F675 Ss. 235-237 repealed (with effect in accordance with Sch. 4 para. 7(2), Sch. 8 Pt. 2(9) Note 3 of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 4 para. 7(1), **Sch. 8 Pt. 2(9)**

F676 **237 Disallowance of reliefs in respect of bonus issues.**

Textual Amendments

F676 Ss. 235-237 repealed (with effect in accordance with Sch. 4 para. 7(2), Sch. 8 Pt. 2(9) Note 3 of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 4 para. 7(1), **Sch. 8 Pt. 2(9)**

CHAPTER V

ADVANCE CORPORATION TAX AND FRANKED INVESTMENT INCOME

238 Interpretation of terms and collection of ACT.

F677

Textual Amendments

F677 S. 238 repealed (with effect in accordance with Sch. 3 para. 11(2) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 11(1), **Sch. 27 Pt. 3(2)**, Note

239 Set-off of ACT against liability to corporation tax.

F678

Textual Amendments

F678 S. 239 repealed (with effect in accordance with Sch. 3 para. 12(2) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 12(1), **Sch. 27 Pt. 3(2)**, Note (with Sch. 3 para. 12(3)-(6))

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240 Set-off of company’s surplus ACT against subsidiary’s liability to corporation tax.

F679

Textual Amendments

F679 S. 240 repealed (with effect in accordance with Sch. 3 para. 13(2) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 13(1), [Sch. 27 Pt. 3\(2\)](#), Note

241 Calculation of ACT where company receives franked investment income.

F680

Textual Amendments

F680 S. 241 repealed (with effect in accordance with Sch. 3 para. 14(2) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 14(1), [Sch. 27 Pt. 3\(2\)](#), Note

242 Set-off of losses etc. against surplus of franked investment income.

F681

Textual Amendments

F681 Ss. 242-244 repealed (with effect in accordance with s. 20(1)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), s. 20(5), [Sch. 8 Pt. 2\(4\)](#), Note

243 Set-off of loss brought forward, or terminal loss.

F682

Textual Amendments

F682 Ss. 242-244 repealed (with effect in accordance with s. 20(1)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), s. 20(5), [Sch. 8 Pt. 2\(4\)](#), Note

244 Further provisions relating to claims under section 242 or 243.

F683

Textual Amendments

F683 Ss. 242-244 repealed (with effect in accordance with s. 20(1)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), s. 20(5), [Sch. 8 Pt. 2\(4\)](#), Note

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245 Calculation etc. of ACT on change of ownership of company.

F684

Textual Amendments

F684 S. 245 repealed (with effect in accordance with Sch. 3 para. 15(2) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 15(1), [Sch. 27 Pt. 3\(2\)](#), Note

[^{F685}245A] Restriction on application of section 240 in certain circumstances.

F686]

Textual Amendments

F685 Ss. 245A, 245B inserted (in relation to changes in ownership on or after 14 March 1989) by [Finance Act 1989 \(c. 26\)](#), s. 98

F686 S. 245A repealed (with effect in accordance with Sch. 3 para. 16(2) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 16(1), [Sch. 27 Pt. 3\(2\)](#), Note

245B Restriction on set-off where asset transferred after change in ownership of company.

F687

Textual Amendments

F687 S. 245B repealed (with effect in accordance with Sch. 3 para. 17(2)(3) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 17(1), [Sch. 27 Pt. 3\(2\)](#), Note

246 Charge of ACT at previous rate until new rate fixed, and changes of rate.

F688

Textual Amendments

F688 S. 246 repealed (with effect in accordance with Sch. 3 para. 18(2) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 18(1), [Sch. 27 Pt. 3\(2\)](#), Note

[^{F689F690}CHAPTER VA

FOREIGN INCOME DIVIDENDS

Textual Amendments

F689 Pt. 6 Ch. 5A (ss. 246A-246Y) inserted (3.5.1994) by [Finance Act 1994 \(c. 9\)](#), [Sch. 16 para. 1](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F690 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

Election by company paying dividend

246A Election by company paying dividend.

F691

Textual Amendments

F691 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246B Procedure for making election.

F692

Textual Amendments

F692 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

Recipient of foreign income dividend

246C No tax credit for recipient.

F693

Textual Amendments

F693 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246D Individuals etc.

F694

Textual Amendments

F694 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Companies: payments and receipts

246E Foreign income dividend not franked payment.

F695

Textual Amendments

F695 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246F Calculation of ACT where company receives foreign income dividend.

F696

Textual Amendments

F696 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246G Information relating to foreign income dividends.

F697

Textual Amendments

F697 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246H Power of inspector to require information.

F698

Textual Amendments

F698 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

Foreign source profit and distributable foreign profit

246I Foreign source profit and distributable foreign profit.

F699

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F699 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

Matching of dividend with distributable foreign profit

246J Matching of dividend with distributable foreign profit.

F700

Textual Amendments

F700 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246K Matching: subsidiaries.

F701

Textual Amendments

F701 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246L Requirement as to subsidiaries.

F702

Textual Amendments

F702 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246M Matching: further provisions.

F703

Textual Amendments

F703 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

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Repayment or set-off of advance corporation tax

246N ACT to be repaid or set off against corporation tax liability.

F704

Textual Amendments

F704 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246P Notional foreign source advance corporation tax.

F705

Textual Amendments

F705 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246Q Repayment or set-off: supplementary.

F706

Textual Amendments

F706 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246R Supplementary claims.

F707

Textual Amendments

F707 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

International headquarters companies

246S International headquarters companies.

F708

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F708 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246T Liability to pay ACT displaced.

F709

Textual Amendments

F709 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246U Settlement of liability by IHC as to ACT.

F710

Textual Amendments

F710 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246V Settlement of liability by non-IHC as to ACT.

F711

Textual Amendments

F711 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

246W Payments and repayments where further matching takes place.

F712

Textual Amendments

F712 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

Adjustments

246X Adjustments where profits or foreign tax altered.

F713

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F713 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

Application of this Chapter

246Y Application of this Chapter.

F714]

Textual Amendments

F714 Ss. 246A-246Y (Pt. 6 Ch. 5A) repealed (with effect in accordance with Sch. 6 para. 3(2)-(4) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), Sch. 6 para. 3(1), **Sch. 8 Pt. 2(11)**, Note

[^{F715}CHAPTER VI

MISCELLANEOUS AND SUPPLEMENTAL]

Textual Amendments

F715 Pt. 6 Ch. 6 (ss. 249-254) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), Sch. 1 para. 22, **Sch. 3 Pt. 1** (with Sch. 2)

Group income

247 Dividends etc. paid by one member of a group to another.

F716

Textual Amendments

F716 S. 247 repealed (with application in accordance with s. 85(6), Sch. 33 Pt. 2(10) Note of the repealing Act) by [Finance Act 2001 \(c. 9\)](#), s. 85(5), **Sch. 33 Pt. 2(10)**

248 Provisions supplementary to section 247.

F717

Textual Amendments

F717 S. 248 repealed (with application in accordance with s. 85(6), Sch. 33 Pt. 2(10) Note of the repealing Act) by [Finance Act 2001 \(c. 9\)](#), s. 85(5), **Sch. 33 Pt. 2(10)**

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Stock dividends

249 Stock dividends treated as income.

F718

Textual Amendments

F718 Pt. 6 Ch. 6 (ss. 249-254) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 22, **Sch. 3 Pt. 1** (with Sch. 2)

250 Returns.

F719

Textual Amendments

F719 Pt. 6 Ch. 6 (ss. 249-254) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 22, **Sch. 3 Pt. 1** (with Sch. 2)

251 Interpretation of sections 249 and 250.

F720

Textual Amendments

F720 Pt. 6 Ch. 6 (ss. 249-254) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 22, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F721}Approved share incentive plans

Textual Amendments

F721 Ss. 251A-251D and preceding cross-heading inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), **Sch. 6 para. 34** (with Sch. 7)

251A Application of sections 251B and 251C

F722

Textual Amendments

F722 Ss. 251A-251D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 122, **Sch. 3** (with Sch. 2)

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251B Treatment of cash dividend retained and then later paid out

F723

Textual Amendments

F723 Ss. 251A-251D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 122, **Sch. 3** (with Sch. 2)

251C Charge on dividend shares ceasing to be subject to plan

F724

Textual Amendments

F724 Ss. 251A-251D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 122, **Sch. 3** (with Sch. 2)

251D Interpretation of sections 251A to 251C

F725]

Textual Amendments

F725 Ss. 251A-251D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 122, **Sch. 3** (with Sch. 2)

Supplemental

252 Rectification of excessive set-off etc. of ACT or tax credit.

F726

Textual Amendments

F726 Pt. 6 Ch. 6 (ss. 249-254) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 22, **Sch. 3 Pt. 1** (with Sch. 2)

253 Power to modify or replace section 234(5) to (9) and Schedule 13.

F727

Textual Amendments

F727 Pt. 6 Ch. 6 (ss. 249-254) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 22, **Sch. 3 Pt. 1** (with Sch. 2)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

254 Interpretation of Part VI.

F728

Textual Amendments

F728 Pt. 6 Ch. 6 (ss. 249-254) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 22, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

255 “Gross rate” and “gross amount” of distributions to include ACT.

F729

Textual Amendments

F729 S. 255 repealed (with effect in accordance with Sch. 3 para. 23(2) of the repealing Act) by [Finance Act 1998 \(c. 36\), Sch. 3 para. 23\(1\), Sch. 27 Pt. 3\(2\)](#), Note

PART VII

GENERAL PROVISIONS RELATING TO TAXATION OF INCOME OF INDIVIDUALS

CHAPTER I

PERSONAL RELIEFS

The reliefs

256 General.

F730

Textual Amendments

F730 S. 256 omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 1 para. 2\(a\)](#)

[^{F731}256A] Meaning of “adjusted net income”

F732

Textual Amendments

F731 Ss. 256A, 256B inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 28](#) (with [Sch. 2](#))

F732 S. 256A omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 1 para. 2\(b\)](#)

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256B Meaning of “the minimum amount”

F733]

Textual Amendments

F731 Ss. 256A, 256B inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 28](#) (with [Sch. 2](#))

F733 S. 256B omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 2\(c\)](#)

257 Personal allowance.

F734

Textual Amendments

F734 S. 257 omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 2\(d\)](#)

[^{F735}**257AA Children’s tax credit.**

F736]

Textual Amendments

F735 S. 257AA inserted (with effect in accordance with s. 30(5) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [s. 30\(1\)](#)

F736 S. 257AA repealed (6.4.2003) by [Tax Credits Act 2002 \(c. 21\)](#), s. 61, [Sch. 6](#); S.I. 2003/962, art. 2(3) (e), [Sch. 1](#) (with arts. 3, 5)

257A Married couple’s allowance^{F737}**(pre-5th December 2005 marriages)].**

F738

Textual Amendments

F737 Words in s. 257A heading inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\)](#), 51(5)

F738 Ss. 257A-257BB omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 2\(e\)](#)

[^{F739}**257AB Married couple's allowance (post-5th December 2005 marriages and civil partnerships etc.)**

F740]

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Textual Amendments

- F739** S. 257AB inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1)**, 52
- F740** Ss. 257A-257BB omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), **Sch. 1 para. 2(e)**

[^{F741}257BA] Elections as to transfer of relief under section 257A [^{F742} or 257AB].

^{F743}

Textual Amendments

- F741** Ss. 257BA, 257BB substituted for s. 257B (16.7.1992 with application in relation to tax for the year 1993-94 and subsequent years of assessment) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), s. 20, **Sch. 5 paras.2, 10**.
- F742** Words in s. 257BA heading inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1)**, 53(9)
- F743** Ss. 257A-257BB omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), **Sch. 1 para. 2(e)**

^{F745}257BB] Transfer of relief under section 257A where relief exceeds income [^{F744} or 257AB].

^{F746}

Textual Amendments

- F744** Words in s. 257BB heading inserted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1)**, 54(6)
- F745** Ss. 257BA, 257BB substituted for s. 257B (16.7.1992 with application in relation to tax for the year 1993-94 and subsequent years of assessment) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), s. 20, **Sch. 5 paras.2, 10**.
- F746** Ss. 257A-257BB omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), **Sch. 1 para. 2(e)**

257C Indexation of amounts in [^{F751}sections 256B, 257][^{F752}, 257A and 257AB].

^{F753}

Textual Amendments

- F751** Words in s. 257C sidenote substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 34(3)** (with Sch. 2)
- F752** Words in s. 257C sidenote substituted (5.12.2005 with effect in accordance with reg. 1(4) of the amending S.I.) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1)**, 55(d)
- F753** S. 257C omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), **Sch. 1 para. 2(f)**

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257D Transitional relief: husband with excess allowances.

F754

Textual Amendments

F754 Ss. 257D-257F repealed (with effect in accordance with s. 32(4), Sch. 20 Pt. 3(3) Note of the repealing Act) by Finance Act 1999 (c. 16), s. 32(2), **Sch. 20 Pt. 3(3)**

257E Transitional relief: the elderly.

F755

Textual Amendments

F755 Ss. 257D-257F repealed (with effect in accordance with s. 32(4), Sch. 20 Pt. 3(3) Note of the repealing Act) by Finance Act 1999 (c. 16), s. 32(2), **Sch. 20 Pt. 3(3)**

257F Transitional relief: separated couples.

F756

Textual Amendments

F756 Ss. 257D-257F repealed (with effect in accordance with s. 32(4), Sch. 20 Pt. 3(3) Note of the repealing Act) by Finance Act 1999 (c. 16), s. 32(2), **Sch. 20 Pt. 3(3)**

^{F757}**258 Widower’s or widow’s housekeeper.**

.....

Textual Amendments

F757 S. 258 repealed (1988-89 and subsequent years) by Finance Act 1988 (c. 39), s. 25(3), **Sch.14 Part IV**

259 Additional relief in respect of children.

F758

Textual Amendments

F758 Ss. 259-261A repealed (with effect in accordance with s. 33(2), Sch. 20 Pt. 3(4) Note of the repealing Act) by Finance Act 1999 (c. 16), s. 33(1), **Sch. 20 Pt. 3(4)**

260 Apportionment of relief under section 259.

F759

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Textual Amendments

F759 Ss. 259-261A repealed (with effect in accordance with s. 33(2), Sch. 20 Pt. 3(4) Note of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), s. 33(1), **Sch. 20 Pt. 3(4)**

261 Claims under section 259 for year of marriage.

F760

Textual Amendments

F760 Ss. 259-261A repealed (with effect in accordance with s. 33(2), Sch. 20 Pt. 3(4) Note of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), s. 33(1), **Sch. 20 Pt. 3(4)**

[^{F761}261A Additional relief in respect of children for year of separation.

F762]

Textual Amendments

F761 S. 261A inserted (16.7.1992 with application in relation to tax for the year 1993-94 and subsequent years of assessment) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), s. 20, **Sch. 5 paras.6, 10**.
F762 Ss. 259-261A repealed (with effect in accordance with s. 33(2), Sch. 20 Pt. 3(4) Note of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), s. 33(1), **Sch. 20 Pt. 3(4)**

262 Widow’s bereavement allowance.

F763

Textual Amendments

F763 S. 262 repealed (with effect in accordance with s. 34(2), Sch. 20 Pt. 3(5) Note 1 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), s. 34(1), **Sch. 20 Pt. 3(5)** (with s. 34(3))

^{F764}263 Dependent relatives.

.....

Textual Amendments

F764 S. 263 repealed (1988-89 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 25(3), **Sch.14 Part IV**

^{F765}264 Claimant depending on services of a son or daughter.

.....

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Textual Amendments

F765 S. 264 repealed (1988-89 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 25(3), [Sch.14 Part IV](#)

265 Blind person's allowance.

F766

Textual Amendments

F766 S. 265 omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 2\(g\)](#)

266 Life assurance premiums.

- (1) ^{M27}Subject to the provisions of this section, [^{F767}section 274 and Schedules 14 and 15 and sections 192 to 194 of the Finance Act 2004,] an [^{F768}eligible individual] who pays any such premium as is specified in subsection (2) below ^{F769}... shall (without making any claim) be entitled to relief under this section.

[^{F770}(1A) For the purposes of subsection (1) above an individual is an eligible individual if the individual—

- (a) is resident in the United Kingdom, or
- (b) meets the conditions in section 56(3) of ITA 2007.]

- (2) ^{M28}The premiums referred to in subsection (1) above are any premiums paid by an individual under a policy of insurance or contract for a deferred annuity, where—

- (a) the payments are made to —
 - [^{F771}(i) a person who has permission under [^{F772}Part 4A] of the Financial Services and Markets Act 2000 or under paragraph 15 of Schedule 3 to that Act (as a result of qualifying for authorisation under paragraph 12(1) of that Schedule) to effect or carry out contracts of long-term insurance; or
 - (ii) a member of the Society who effects or carries out contracts of long-term insurance in accordance with Part 19 of the Financial Services and Markets Act 2000;]
 - (iv) in the case of a deferred annuity, the National Debt Commissioners; and
- (b) the insurance or, as the case may be, the deferred annuity is on the life of the individual or on the life of his spouse [^{F773}or civil partner]; and
- (c) the insurance or contract was made by him or his spouse [^{F773}or civil partner].

- (3) Subject to subsections ^{F774}... (10) and (11) below, no relief under this section shall be given—

- (a) ^{M29}except in respect of premiums payable under policies for securing a capital sum on death, whether in conjunction with any other benefit or not;
- (b) ^{M30}in respect of premiums payable under any policy issued in respect of an insurance made after 19th March 1968 unless the policy is a qualifying policy;
- (c) ^{M31}in respect of premiums payable under any policy issued in respect of an insurance made after 13th March 1984 ^{F775}...;

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- (d) ^{M32}in respect of premiums payable during the period of deferment in respect of a policy of deferred assurance.
- (4) ^{M33}Subject to [^{F776}subsection] (8) below, relief under this section in respect of any premiums paid by an individual in a year of assessment shall be given by making good to the person to whom they are paid any deficiency arising from the deductions authorised under subsection (5) below; and this section and Schedule 14 shall have effect in relation to any premium or part of a premium which is paid otherwise than in the year of assessment in which it becomes due and payable as if it were paid in that year.
- (5) Subject to the provisions of Schedule 14—
 - (a) an individual resident in the United Kingdom who is entitled to relief under this section in respect of any premium may deduct from any payment in respect of the premium and retain an amount equal to [^{F777}12.5 per cent] of the payment; and
 - (b) the person to whom the payment is made shall accept the amount paid after the deduction in discharge of the individual’s liability to the same extent as if the deduction had not been made and may recover the deficiency from the Board.
- (6) ^{F778}
- (6A) ^{F778}
- (7) ^{F779}
- (8) ^{M34}Where the individual is not resident in the United Kingdom [^{F780}(but is entitled to relief by virtue of subsection (1A)(b))], subsection (4) above shall not apply but ^{F781} . . . the like relief shall be given to him under paragraph 6 of Schedule 14.
- (9) ^{M35}Subsections (5) and (8) above shall apply in relation to an individual who is not resident in the United Kingdom but is a member of the armed forces of the Crown or the [^{F782}spouse][^{F783}or civil partner] of such a member as if the individual were so resident.
- (10) ^{M36}Subsection (3)(b) above shall not apply—
 - (a) to any policy of life insurance having as its sole object the provision on an individual’s death or disability of a sum substantially the same as any amount then outstanding under a mortgage of his residence, or of any premises occupied by him for the purposes of a business, being a mortgage the principal amount secured by which is repayable by instalments payable annually or at shorter regular intervals; or
 - (b) to any policy of life insurance issued in connection with an approved scheme as defined in Chapter I of Part XIV.

In the application of this subsection to Scotland, for any reference to a mortgage there shall be substituted a reference to a heritable security within the meaning of the ^{M37}Conveyancing (Scotland) Act 1924 (but including a security constituted by ex facie absolute disposition or assignation).

- (11) ^{M38}Subsection (3)(a) and (d) above shall not affect premiums payable—
 - (a) under policies or contracts made in connection with any superannuation or bona fide pension scheme for the benefit of the employees of any employer, or of persons engaged in any particular trade, profession, vocation or business, or for the benefit of the [^{F784}spouse, [^{F785}civil partner,] widow, widower [^{F786},

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surviving civil partner] or children or other dependants of any such employee or person,] or

- (b) under policies taken out by teachers in the schools known in the year 1918 as secondary schools, pending the establishment of a superannuation or pension scheme for those teachers.

(12) Schedule 14 shall have effect for the purpose of modifying, for certain cases, and supplementing the provisions of this section.

[^{F787}(13) In ^{F788} . . . Schedule 14, “friendly society” means the same as in the Friendly Societies Act 1992 (and includes any society that by virtue of section 96(2) of that Act is to be treated as a registered friendly society within the meaning of that Act).]

[^{F789}(14) In subsection (2)(a)—

“contracts of long-term insurance” means contracts which fall within Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001; and

“member of the society” has the same meaning as in Lloyd’s Act 1982 ^{M39}.]

Textual Amendments

- F767** Words in s. 266(1) substituted (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), [Sch. 35 para. 9](#) (with [Sch. 36](#))
- F768** Words in s. 266(1) substituted (with effect in accordance with [Sch. 1 para. 7](#) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 3\(2\)\(a\)](#)
- F769** Words in s. 266(1) omitted (with effect in accordance with [Sch. 1 para. 7](#) of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 3\(2\)\(b\)](#)
- F770** [S. 266\(1A\)](#) inserted (with effect in accordance with [Sch. 1 para. 7](#) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 3\(3\)](#)
- F771** [S. 266\(2\)\(a\)\(i\)\(ii\)](#) substituted for [s. 266\(2\)\(a\)-\(iii\)](#) (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), [art. 18\(2\)](#)
- F772** Words in [s. 266\(2\)\(a\)\(i\)](#) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), [Sch. 18 para. 58\(2\)](#) (with [Sch. 20](#)); [S.I. 2013/423](#), [art. 3](#), [Sch.](#)
- F773** Words in [s. 266\(2\)\(b\)\(c\)](#) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\)](#), 57(2)
- F774** Word in [s. 266\(3\)](#) omitted (with effect in accordance with [Sch. 1 para. 7](#) of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 3\(4\)](#)
- F775** Words in [s. 266\(3\)\(c\)](#) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 36\(2\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F776** Words in [s. 266\(4\)](#) substituted (with effect in accordance with [Sch. 1 para. 7](#) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 3\(5\)](#)
- F777** Words in [s. 266\(5\)\(a\)](#) substituted (from 6.4.1989) by [Finance Act 1988 \(c. 39\)](#), [s. 29](#)
- F778** [S. 266\(6\)\(6A\)](#) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 36\(4\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F779** [S. 266\(7\)](#) omitted (with effect in accordance with [Sch. 1 para. 7](#) of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 3\(6\)](#)
- F780** Words in [s. 266\(8\)](#) substituted (with effect in accordance with [Sch. 1 para. 7](#) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 3\(7\)](#)
- F781** Words in [s. 266\(8\)](#) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 36\(6\)\(c\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F782** Words in [s. 266\(9\)](#) substituted (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), [s. 35](#), [Sch. 3 para. 9\(a\)](#)

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- F783** Words in s. 266(9) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 57(3)**
- F784** Words in s. 266(11)(a) substituted (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 35, **Sch. 3 para. 9(b)**
- F785** Words in s. 266(11)(a) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 57(4)(a)**
- F786** Words in s. 266(11)(a) inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 57(4)(b)**
- F787** S. 266(13) inserted (19.2.1993) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), s. 56, **Sch. 9 paras. 2(3)**; S.I. 1993/236, **art.2**
- F788** Words in s. 266(13) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 36(7)**, **Sch. 3 Pt. 1** (with **Sch. 2**)
- F789** S. 266(14) added (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), **art. 18(3)**

Modifications etc. (not altering text)

- C26** S. 266 relief abolished and s. 266 restricted by [Finance Act 2012 \(c. 14\)](#), **Sch 39 para. 23**

Marginal Citations

- M27** Source-1970 s.19(1); 1976 Sch.4 3(1)
- M28** Source-1970 s.19(2); 1976 s.36(5), Sch.4 3(2)
- M29** Source-1970 s.19(3)(a)
- M30** Source-1970 s.19(4)
- M31** Source-1984 s.72(1)
- M32** Source-1970 s.19(3)(b)
- M33** Source-1976 Sch.4 4(1) 5; 1978 Sch.3 2; 1980 s.29(2)(b)
- M34** Source-1976 Sch.4 4(2)
- M35** Source-1976 Sch.4 5A; 1978 Sch.3 5
- M36** Source-1970 s.19(4)(a), (c); 1971 Sch.3 11
- M37** [1924 c. 27](#).
- M38** Source-1970 s.19(3)(i)(ii)
- M39** [1982 c. xiv](#).

[^{F790}266A] Life assurance premiums paid by employer

(1) This section applies if—

- (a) pursuant to [^{F791}an employer-financed] retirement benefits scheme, the employer in any year of assessment pays a sum with a view to the provision of any relevant benefits for or in respect of any employee of that employer, and
- (b) the payment is made under such an insurance or contract as is mentioned in section 266.

This section applies whether or not the accrual of the relevant benefits is dependent on any contingency.

(2) Relief, if not otherwise allowable, shall be given to that employee under section 266 in respect of the payment to the extent, if any, to which such relief would have been allowable to him if—

- (a) the payment had been made by him, and
- (b) the insurance or contract under which the payment is made had been made with him.

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[^{F792}(3) For the purposes of subsection (1)(a) benefits are provided in respect of an employee if they are provided for the employee’s spouse, widow or widower, children, dependants or personal representatives.

(4) If a sum within subsection (1) is paid with a view to the provision of benefits for or in respect of more than one employee of the employer, part of it is to be treated as paid for or in respect of each of them.

(5) The amount treated as paid for or in respect of each employee is—

$$A \times \frac{B}{C}$$

where—

A is the sum paid,

B is the amount which would have had to be paid to secure the benefits to be provided for or in respect of the employee in question, and

C is the total amount which would have had to be paid to secure the benefits to be provided for or in respect of all the employees if separate payments had been made in the case of each of them.

(6) This section does not apply if—

- (a) in the year of assessment in which the sum is paid the earnings from the employee’s employment are (or, if there are none, would be if there were any) earnings charged on remittance, or
- (b) the employee is not domiciled in the United Kingdom in the tax year in which the sum is paid and the conditions in subsection (7) are met.

(7) Those conditions are—

- (a) that the employment is with a foreign employer, and
- (b) that, on a claim made by the employee, the Board are satisfied that the pension scheme corresponds to a registered pension scheme.

(8) In subsection (6)(a) “earnings charged on remittance” means earnings which are taxable earnings under—

- (a) section 22 of ITEPA 2003 (chargeable overseas earnings for year when [^{F793}remittance basis applies and employee outside section 26]), or
- (b) section 26 of that Act (foreign earnings for year when [^{F794}remittance basis applies and employee meets section 26A requirement]).

[^{F795}(8A) Section 835BA of ITA 2007 (deemed domicile) applies for the purposes of subsection (6)(b).]

(9) In this section—

“employer-financed retirement benefits scheme”, and
“relevant benefits”,

have the same meaning as in Chapter 2 of Part 6 of ITEPA 2003 (see sections 393A and 393B of that Act).]

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Textual Amendments

- F790** S. 266A inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 36** (with Sch. 7)
- F791** Words in s. 266A(1) substituted (6.4.2006) by **Finance Act 2004 (c. 12), s. 284(1), Sch. 35 para. 10(2)** (with Sch. 36)
- F792** S. 266A(3)-(9) substituted for s. 266A(3)-(6) (6.4.2006) by **Finance Act 2004 (c. 12), s. 284(1), Sch. 35 para. 10(3)** (with Sch. 36)
- F793** Words in s. 266A(8)(a) substituted (with effect in accordance with **Sch. 46 para. 25** of the amending Act) by **Finance Act 2013 (c. 29), Sch. 46 para. 16(a)** (with Sch. 46 para. 26)
- F794** Words in s. 266A(8)(b) substituted (with effect in accordance with **Sch. 46 para. 25** of the amending Act) by **Finance Act 2013 (c. 29), Sch. 46 para. 16(b)** (with Sch. 46 para. 26)
- F795** S. 266A(8A) inserted (with effect in accordance with **Sch. 8 para 1(2)** of the amending Act) by **Finance (No. 2) Act 2017 (c. 32), Sch. 8 para. 1(1)**

267 Qualifying policies.

Schedule 15, Part I of which contains the basic rules for determining whether or not a policy is a qualifying policy, Part II of which makes provision for the certification etc. of policies as qualifying policies and Part III of which modifies Parts I and II in their application to certain policies issued by non-resident companies, shall have effect for the purpose of determining whether or not a policy is a qualifying policy; and, accordingly, any reference in this Act to a qualifying policy shall be construed in accordance with that Schedule.

268 Early conversion or surrender of life policies.

F796

Textual Amendments

- F796** Ss. 268-272 omitted (with effect in accordance with Sch. 39 para. 31(3) of the repealing Act) by virtue of **Finance Act 2012 (c. 14), Sch. 39 para. 31(1)**

269 Surrender etc. of policies after four years.

F797

Textual Amendments

- F797** Ss. 268-272 omitted (with effect in accordance with Sch. 39 para. 31(3) of the repealing Act) by virtue of **Finance Act 2012 (c. 14), Sch. 39 para. 31(1)**

270 Provisions supplementary to sections 268 and 269.

F798

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F798 Ss. 268-272 omitted (with effect in accordance with Sch. 39 para. 31(3) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 39 para. 31(1)**

271 Deemed surrender in cases of certain loans.

F799

Textual Amendments

F799 Ss. 268-272 omitted (with effect in accordance with Sch. 39 para. 31(3) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 39 para. 31(1)**

272 Collection of sums payable under sections 268 and 269.

F800

Textual Amendments

F800 Ss. 268-272 omitted (with effect in accordance with Sch. 39 para. 31(3) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 39 para. 31(1)**

273 Payments securing annuities.

F801

Textual Amendments

F801 S. 273 omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 2(h)**

274 Limits on relief under [F802 section 266].

- (1) ^{M40}The aggregate of the premiums ^{F803} . . . in respect of which relief is given to any person under section 266 shall not exceed £1,500 in any year of assessment or one-sixth of that person’s total income, whichever is the greater.
- (2) ^{M41}The aggregate of the relief given under [^{F804}section 266] in respect of premiums ^{F805} . . . payable for securing any benefits other than capital sums on death shall not exceed the amount of the income tax calculated at [^{F806}12.5%] on £100.
- (3) ^{F807}
- (4) ^{M42}War insurance premiums shall not be taken into account in calculating the limits of one-sixth of total income or of £100 mentioned in this section.

In this subsection “war insurance premiums” means any additional premium ^{F808} . . . paid in order to extend an existing life insurance policy to risks arising from war or war service abroad, and any part of any premium ^{F808} . . . paid in respect of a life insurance

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policy covering those risks, or either of them, which [^{F809}is] attributable to those risks, or either of them.

Textual Amendments

- F802** Word in s. 274 heading substituted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 1 para. 4(6)**
- F803** Words in s. 274(1) omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 4(2)**
- F804** Words in s. 274(2) substituted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 1 para. 4(3)(a)**
- F805** Words in s. 274(2) omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 4(3)(b)**
- F806** Words in s. 274(2) substituted (with effect in accordance with Sch. 1 para. 7 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 1 para. 4(3)(c)**
- F807** S. 274(3) omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 4(4)**
- F808** Words in s. 274(4) omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 1 para. 4(5)**
- F809** Word in s. 274(4) substituted (with effect in accordance with s. 134(2) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 20 para. 20**

Marginal Citations

- M40** Source-1970 s.21(1); 1976 Sch.4 21
- M41** Source-1970 s.21(3); 1975 Sch.2 6
- M42** Source-1970 s.21(5)

Supplemental

^{F810}275 Meaning of “relative”.

.....

Textual Amendments

- F810** S. 275 repealed (1988-89 and subsequent years) by Finance Act 1988 (c. 39), s. 148, **Sch. 14 Part IV**

276 Effect on relief of charges on income.

^{F811}

Textual Amendments

- F811** S. 276 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 38, **Sch. 3 Pt. 1** (with Sch. 2)

277 Partners.

^{F812}

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F812 S. 277 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 39](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

278 Non-residents.

F813

Textual Amendments

F813 S. 278 omitted (with effect in accordance with Sch. 1 para. 7 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 2\(i\)](#)

CHAPTER II

TAXATION OF INCOME OF SPOUSES^{F814} AND CIVIL PARTNERS]

Textual Amendments

F814 Words in [Pt. 7 Ch. 2](#) heading inserted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\)](#), 61

General rules

^{F815}279 Aggregation of wife’s income with husband’s.

.....

Textual Amendments

F815 S. 279 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), ss. 32, 148, [Sch. 14 Part VIII](#)

^{F816}280 Transfer of reliefs.

.....

Textual Amendments

F816 S. 280 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

^{F817}281 Tax repayments to wives.

.....

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F817 S. 281 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

282 Construction of references to [^{F818}spouses or civil partners] living together.

F819

Textual Amendments

F818 Words in s. 282 heading substituted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), [regs. 1\(1\)](#), 62(b)

F819 S. 282 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 41](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F820}282A] Jointly held property.

F821]

Textual Amendments

F820 Ss. 282A, 282B inserted (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), [s. 34](#)

F821 Ss. 282A, 282B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 42](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

282B Jointly held property: declarations.

F822

Textual Amendments

F822 Ss. 282A, 282B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 42](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Separate assessments

^{F823}283 Option for separate assessment.

.....

Textual Amendments

F823 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

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F824 284 Effect of separate assessment on personal reliefs.

.....

Textual Amendments

F824 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

F825 285 Collection from wife of tax assessed on husband but attributable to her income.

.....

Textual Amendments

F825 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

F826 286 Right of husband to disclaim liability for tax on deceased wife’s income.

.....

Textual Amendments

F826 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

Separate taxation

F827 287 Separate taxation of wife’s earnings.

.....

Textual Amendments

F827 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

F828 288 Elections under section 287.

.....

Textual Amendments

F828 Ss. 283-288 repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Part VIII](#)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F829}CHAPTER III

ENTERPRISE INVESTMENT SCHEME]

Textual Amendments

F829 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#))

289 Eligibility for relief.

^{F830}

Textual Amendments

F830 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#)); and s. 289(9) amended (as saved) (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 16 paras. 16\(1\)\(a\), 18](#); and s. 289 further amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) \(No. 2\) Order 2007 \(S.I. 2007/1820\)](#), [arts. 1\(1\), 2\(2\)](#)

[^{F831}**289A**Form of relief.

^{F832}]

Textual Amendments

F831 Ss. 289-289B substituted for s. 289 (with effect in accordance with s. 137(2) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), s. 137(1), [Sch. 15 para. 2](#)
F832 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#))

[^{F833}**289B**Attribution of relief to shares.

^{F834}]

Textual Amendments

F833 Ss. 289-289B substituted for s. 289 (with effect in accordance with s. 137(2) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), s. 137(1), [Sch. 15 para. 2](#)
F834 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#))

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290 Minimum and maximum subscriptions.

F835

Textual Amendments

F835 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

[^{F836F837}**290A Restriction of relief where amounts raised exceed permitted maximum.**

.....]

Textual Amendments

F836 S. 290A inserted (retrospectively) by [Finance Act 1988 \(c. 39\) s. 51\(1\)\(b\)](#)
F837 S. 290A repealed (with effect in accordance with s. 74(3), Sch. 27 Pt. 3(14) Note 4 of the repealing Act) by [Finance Act 1998 \(c. 36\), Sch. 13 para. 5, Sch. 27 Pt. 3\(14\)](#)

291 Individuals qualifying for relief.

F838

Textual Amendments

F838 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

[^{F839}**291A Connected persons: directors.**

F840

Textual Amendments

F839 Ss. 291-291B substituted for s. 291 (with effect in accordance with s. 137(2) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 137\(1\), Sch. 15 para. 5](#)
F840 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

[^{F841}**291B Connected persons: persons interested in capital etc. of company.**

F842

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Textual Amendments

- F841** Ss. 291-291B substituted for s. 291 (with effect in accordance with s. 137(2) of the amending Act) by Finance Act 1994 (c. 9), s. 137(1), **Sch. 15 para. 5**
- F842** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 627, Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2); and s. 291B amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by **The Income Tax Act 2007 (Amendment) (No. 2) Order 2007 (S.I. 2007/1820), arts. 1(1), 2(2)**

292 Parallel trades.

F843

Textual Amendments

- F843** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 627, Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

293 Qualifying companies.

F844

Textual Amendments

- F844** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 627, Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2); and s. 293 amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by **The Income Tax Act 2007 (Amendment) (No. 2) Order 2007 (S.I. 2007/1820), arts. 1(1), 2(2)**

294 Companies with interests in land.

F845

Textual Amendments

- F845** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 627, Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

295 Valuation of interests in land for purposes of section 294(1)(b).

F846

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Textual Amendments

F846 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#))

296 Section 294 disappplied where amounts raised total £50,000 or less.

F847

Textual Amendments

F847 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#))

297 Qualifying trades.

F848

Textual Amendments

F848 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#)); and s. 297 amended (as saved) (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 16 paras. 11\(1\), 13](#), [Sch. 27 Pt. 2\(16\)](#), Note

298 Provisions supplementary to sections 293 and 297.

F849

Textual Amendments

F849 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), [Sch. 2](#)); and s. 298 amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) \(No. 2\) Order 2007 \(S.I. 2007/1820\)](#), [arts. 1\(1\), 2\(3\)](#)

299 Disposal of shares.

F850

Textual Amendments

F850 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s.

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1034(3), Sch. 2); and s. 299 (as saved) applied (with modifications) by s. 149(1)(a) of that repealing Act

[^{F851}**299A** **Loan linked investments.**

^{F852}

Textual Amendments

F851 S. 299A inserted (27.7.1993 with application in relation to any case in which the claim for relief is made on or after 16.3.1993) by 1993 c. 34, s. 111(1)(4)

F852 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 627, Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

[^{F853}**299B** **Pre-arranged exits.**

^{F854}

Textual Amendments

F853 S. 299B inserted (with effect in accordance with s. 71(5) of the amending Act) by **Finance Act 1998 (c. 36), s. 71(1)**

F854 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 627, Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

300 Value received from company.

^{F855}

Textual Amendments

F855 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 627, Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

[^{F856}**300A** **Receipt of replacement value**

^{F857}

Textual Amendments

F856 S. 300A inserted (with effect in accordance with Sch. 15 para. 40(3) of the amending Act) by **Finance Act 2001 (c. 9), Sch. 15 para. 16**

F857 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 627, Sch. 3 Pt. 2** (with savings in s. 1034(3), Sch. 2)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

301 Provisions supplementary to section 300.

F858

Textual Amendments

F858 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

[^{F859}**301A**Receipts of insignificant value: supplementary provision

F860]

Textual Amendments

F859 S. 301A inserted (with effect in accordance with [Sch. 15 para. 40\(3\)](#) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 15 para. 18](#)

F860 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

302 Replacement capital.

F861

Textual Amendments

F861 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

303 Value received by persons other than claimants.

F862

Textual Amendments

F862 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

[^{F863}**303A**Insigificant repayments disregarded for purposes of s.303(1)

F864]

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Textual Amendments

- F863** S. 303AA inserted (with effect in accordance with [Sch. 15 para. 40\(3\)](#) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), **Sch. 15 para. 20**
- F864** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), [Sch. 2](#))

[^{F865}303A Restriction on withdrawal of relief under section 303.

^{F866}

Textual Amendments

- F865** S. 303A inserted (with effect in accordance with s. 63(4) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), **Sch. 16 para. 2(3)**
- F866** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), [Sch. 2](#))

304 [^{F867}Spouses and civil partners.]

^{F868}

Textual Amendments

- F867** S. 304 heading substituted (5.12.2005) by [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1)**, 65(c)
- F868** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), [Sch. 2](#))

[^{F869}304AA Acquisition of share capital by new company.

^{F870}

Textual Amendments

- F869** S. 304A inserted (with effect in accordance with s. 74(3), [Sch. 13 para. 17\(2\)](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), **Sch. 13 para. 17(1)**; and see also the s. 304A inserted (with effect in accordance with s. 74(3), [Sch. 13 para. 41\(2\)](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 13 paras. 37](#), **41(1)**
- F870** Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 627](#), **Sch. 3 Pt. 2** (with savings in s. 1034(3), [Sch. 2](#)); and s. 304A amended (as saved) (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 16 paras. 11\(2\)](#), **13**

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305 Reorganisation of share capital.

F871

Textual Amendments

F871 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

[^{F872}**305A Relief for loss on disposal of shares.**

F873]

Textual Amendments

F872 S. 305A inserted (with effect in accordance with s. 137(2) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 137\(1\), Sch. 15 para. 20](#)

F873 S. 305A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 43, Sch. 3 Pt. 1](#) (with Sch. 2)

306 Claims.

F874

Textual Amendments

F874 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

307 Withdrawal of relief.

F875

Textual Amendments

F875 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

308 Application to subsidiaries.

F876

Textual Amendments

F876 Pt. 7 Ch. 3 (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 627, Sch. 3 Pt. 2](#) (with savings in s.

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1034(3), Sch. 2); and s. 308 amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) \(No. 2\) Order 2007 \(S.I. 2007/1820\)](#), [arts. 1\(1\), 2\(2\)](#)

309 Further provisions as to subsidiaries.

F877

Textual Amendments

F877 [S. 309](#) repealed (with effect as mentioned in s. 137(1)(2), Sch. 26 Pt. 5(17) Note of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), Sch. 15 para. 24, [Sch. 26 Pt. 5\(17\)](#)

310 Information.

F878

Textual Amendments

F878 [Pt. 7 Ch. 3](#) (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 627, [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

311 Nominees, bare trustees and approved investment funds.

F879

Textual Amendments

F879 [Pt. 7 Ch. 3](#) (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 627, [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2)

312 Interpretation of Chapter III.

F880

Textual Amendments

F880 [Pt. 7 Ch. 3](#) (ss. 289-312), except s. 305A, repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 627, [Sch. 3 Pt. 2](#) (with savings in s. 1034(3), Sch. 2); and s. 312 amended (as saved) (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 44](#) (with Sch. 2); and s. 312 further amended (as saved) (retrospective to 6.4.2007) by [Finance Act 2007 \(c. 11\)](#), Sch. 16 paras. 16(1)(b), 18, [Sch. 27 Pt. 2\(16\)](#), Note; and s. 312 further amended (as saved) (17.7.2007 with effect in accordance with art. 1(2) of the amending S.I.) by [The Income Tax Act 2007 \(Amendment\) \(No. 2\) Order 2007 \(S.I. 2007/1820\)](#), [arts. 1\(1\), 2\(4\)\(5\)](#); and s. 312 further amended (as saved) (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 26 para. 7\(3\)](#)

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CHAPTER IV

SPECIAL PROVISIONS

313 Taxation of consideration for certain restrictive undertakings.

F881

Textual Amendments

F881 S. 313 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 39, **Sch. 8 Pt. 1** (with Sch. 7)

314 Divers and diving supervisors.

F882

Textual Amendments

F882 S. 314 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 128, **Sch. 3** (with Sch. 2)

315 Wounds and disability pensions.

F883

Textual Amendments

F883 Ss. 315-318 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 41, **Sch. 8 Pt. 1** (with Sch. 7)

316 Allowances, bounties and gratuities.

F884

Textual Amendments

F884 Ss. 315-318 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 41, **Sch. 8 Pt. 1** (with Sch. 7)

317 Victoria Cross and other awards.

F885

Textual Amendments

F885 Ss. 315-318 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 41, **Sch. 8 Pt. 1** (with Sch. 7)

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318 Other pensions in respect of death due to war service etc.

F886

Textual Amendments

F886 Ss. 315-318 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 41, Sch. 8 Pt. 1](#) (with Sch. 7)

319 Crown servants: foreign service allowance.

F887

Textual Amendments

F887 S. 319 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 42, Sch. 8 Pt. 1](#) (with Sch. 7)

320 Commonwealth Agents-General and official agents etc.

F888

Textual Amendments

F888 S. 320 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 45, Sch. 3 Pt. 1](#) (with Sch. 2)

321 Consuls and other official agents.

F889

Textual Amendments

F889 S. 321 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 43, Sch. 8 Pt. 1](#) (with Sch. 7)

322 Consular officers and employees.

F890

Textual Amendments

F890 S. 322 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 129, Sch. 3](#) (with Sch. 2)

323 Visiting forces.

F891

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Textual Amendments

F891 S. 323 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 46, **Sch. 3 Pt. 1** (with Sch. 2)

324 Designated international organisations.

F892

Textual Amendments

F892 S. 324 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 130, **Sch. 3** (with Sch. 2)

325 Interest on deposits with National Savings Bank.

F893

Textual Amendments

F893 S. 325 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 131, **Sch. 3** (with Sch. 2)

326 Interest etc. under contractual savings schemes.

F894

Textual Amendments

F894 S. 326 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 132, **Sch. 3** (with Sch. 2)

[^{F895}**326A** Tax-exempt special savings accounts.

F896]

Textual Amendments

F895 Ss. 326A-326C inserted by [Finance Act 1990 \(c. 29\)](#), s. 28(1)

F896 Ss. 326A-326D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 133, **Sch. 3** (with Sch. 2)

[^{F897}**326B** Loss of exemption for special savings accounts.

F898]

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

- F897** Ss. 326A-326C inserted by [Finance Act 1990 \(c. 29\), s. 28\(1\)](#)
- F898** Ss. 326A-326D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 133, Sch. 3 \(with Sch. 2\)](#)

[^{F899}326BB Follow-up TESSAs.

F900

Textual Amendments

- F899** S. 326BB inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 62\(2\)](#)
- F900** Ss. 326A-326D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 133, Sch. 3 \(with Sch. 2\)](#)

[^{F901}326C Tax-exempt special savings accounts: supplementary.

F902

Textual Amendments

- F901** Ss. 326A-326C inserted by [Finance Act 1990 \(c. 29\), s. 28\(1\)](#)
- F902** Ss. 326A-326D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 133, Sch. 3 \(with Sch. 2\)](#)

[^{F903}326D Tax-exempt special savings accounts: tax representatives.

F904

Textual Amendments

- F903** S. 326D inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 63\(4\)](#)
- F904** Ss. 326A-326D repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 133, Sch. 3 \(with Sch. 2\)](#)

327 Disabled person’s vehicle maintenance grant.

F905

Textual Amendments

- F905** S. 327 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 134, Sch. 3 \(with Sch. 2\)](#)

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[^{F906}**327A** **Payments to adopters**

^{F907}

Textual Amendments

F906 S. 327A inserted (with effect in accordance with s. 175(2) of the amending Act) by [Finance Act 2003](#) (c. 14), s. 175(1)

F907 S. 327A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005](#) (c. 5), Sch. 1 para. 135, **Sch. 3** (with Sch. 2)

[^{F908}**328** **Funds in court.**

.....

Textual Amendments

F908 S. 328 repealed (with effect in accordance with s. 68(3)-(5) of the repealing Act) by [Finance Act 1999](#) (c. 16), s. 68(2), **Sch. 20 Pt. 3(17)**, Note

329 Interest on damages for personal injuries.

^{F909}

Textual Amendments

F909 Ss. 329-329AB repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005](#) (c. 5), Sch. 1 para. 136, **Sch. 3** (with Sch. 2)

[^{F910}**329AB** **Personal injury damages in the form of periodical payments.**

^{F911}

Textual Amendments

F910 Ss. 329AA, 329AB inserted (with effect in accordance with s. 150(2)-(4) of the amending Act) by [Finance Act 1996](#) (c. 8), s. 150(1), **Sch. 26**

F911 Ss. 329-329AB repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005](#) (c. 5), Sch. 1 para. 136, **Sch. 3** (with Sch. 2)

329AB Compensation for personal injury under statutory or other schemes.

^{F912}

Textual Amendments

F910 Ss. 329AA, 329AB inserted (with effect in accordance with s. 150(2)-(4) of the amending Act) by [Finance Act 1996](#) (c. 8), s. 150(1), **Sch. 26**

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F912 Ss. 329-329AB repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 136, **Sch. 3** (with Sch. 2)

F913F914 **329A Annuities purchased for certain persons.**

.....]

Textual Amendments
F913 Ss. 329A, 329B inserted (1.5.1995) by Finance Act 1995 (c. 4), s. 142
F914 Ss. 329A-329C repealed and superseded (29.4 1996) by Finance Act 1996 (c. 8), s. 150(2)(3), **Sch. 41 Pt. 5(16)** (with s. 150(4))

F915 **329B Annuities assigned in favour of certain persons.**

.....]

Textual Amendments
F913 Ss. 329A, 329B inserted (1.5.1995) by Finance Act 1995 (c. 4), s. 142
F915 Ss. 329A-329C repealed and superseded (29.4 1996) by Finance Act 1996 (c. 8), s. 150(2)(3), **Sch. 41 Pt. 5(16)** (with s. 150(4))

F916F917 **329C Annuities: criminal injuries.**

.....]

Textual Amendments
F916 S. 329C inserted (8.11.1995) by Criminal Injuries Compensation Act 1995 (c. 53), s. 8
F917 Ss. 329A-329C repealed and superseded (29.4 1996) by Finance Act 1996 (c. 8), s. 150(2)(3), **Sch. 41 Pt. 5(16)** (with s. 150(4))

330 Compensation for National-Socialist persecution.

F918

Textual Amendments
F918 S. 330 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 46, **Sch. 8 Pt. 1** (with Sch. 7)

331 Scholarship income.

F919

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Textual Amendments

F919 S. 331 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 137, Sch. 3](#) (with Sch. 2)

[^{F920}331A Student loans: certain interest to be disregarded.

^{F921}

Textual Amendments

F920 S. 331A inserted (27.7.1999) by [Finance Act 1999 \(c. 16\), s. 60](#)

F921 S. 331A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 138, Sch. 3](#) (with Sch. 2)

332 Expenditure and houses of ministers of religion.

(1) ^{F922}

(2) ^{F922}

(3) ^{F923}

[^{F924}(3A) ^{F925}

(3B) ^{F925}

(4) ^{F925}

Textual Amendments

F922 S. 332(1)(2) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 47\(2\), Sch. 8 Pt. 1](#) (with Sch. 7)

F923 S. 332(3) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 139, Sch. 3](#) (with Sch. 2)

F924 S. 332(3A)(3B) inserted (with effect in accordance with s. 57(4) of the amending Act) by [Finance Act 2001 \(c. 9\), Sch. 12 para. 10](#)

F925 S. 332(3A)(3B)(4) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 47\(4\), Sch. 8 Pt. 1](#) (with Sch. 7)

[^{F926}332A Venture capital trusts: relief.

^{F927}

Textual Amendments

F926 S. 332A inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 71\(1\)](#)

F927 S. 332A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 47, Sch. 3 Pt. 1](#) (with Sch. 2)

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[^{F928}333 Investment plan regulations

Regulations under Chapter 3 of Part 6 of ITTOIA 2005 (income from individual investment plans) may include provision generally for the purpose of the administration of corporation tax in relation to plans.]

Textual Amendments
F928 S. 333 substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 141](#) (with Sch. 2)

[^{F929}333A Personal equity plans: tax representatives.

^{F930}]

Textual Amendments
F929 S. 333A inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 64\(1\)](#)
F930 S. 333A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 142, Sch. 3](#) (with Sch. 2)

[^{F931}333B Involvement of insurance companies with plans and accounts.

^{F932}]

Textual Amendments
F931 S. 333B inserted (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 77\(1\)](#)
F932 S. 333B repealed (with effect in accordance with s. 38(2) of the repealing Act) by [Finance Act 2007 \(c. 11\), Sch. 7 para. 4, Sch. 27 Pt. 2\(7\)](#), Note (with Sch. 7 Pt. 2)

CHAPTER V

RESIDENCE OF INDIVIDUALS

334 Commonwealth citizens and others temporarily abroad.

^{F933}

Textual Amendments
F933 S. 334 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 48, Sch. 3 Pt. 1](#) (with Sch. 2)

335 Residence of persons working abroad.

^{F934}

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Textual Amendments

F934 S. 335 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 49, **Sch. 3 Pt. 1** (with Sch. 2)

336 Temporary residents in the United Kingdom.

F935

Textual Amendments

F935 S. 336 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 50, **Sch. 3 Pt. 1** (with Sch. 2)

PART VIII

TAXATION OF INCOME AND CHARGEABLE GAINS OF COMPANIES

Taxation of income

337 Company beginning or ceasing to carry on trade

F936

Textual Amendments

F936 S. 337 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 103, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F937} [^{F938} **337A** **Apportionment of company's profits or income: exclusion of general deductions**

(1) ^{F939}

(2) ^{F940}]]

Textual Amendments

F937 Ss. 337, 337A substituted (24.7.2002) by [Finance Act 2002 \(c. 23\)](#), **Sch. 30 para. 1(1)**

F938 S. 337A inserted (with effect in accordance with s. 105(1) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), **Sch. 14 para. 15** (with Sch. 15)

F939 S. 337A(1) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), Sch. 1 para. 23, **Sch. 3 Pt. 1** (with Sch. 2)

F940 S. 337A(2) repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), Sch. 7 para. 37, **Sch. 10 Pt. 12** (with Sch. 9)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

338 Charges on income deducted from total profits

F941

Textual Amendments

F941 S. 338 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 24, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F942}338A Meaning of “charges on income”

F943]

Textual Amendments

F942 Ss. 338-338B substituted for s. 338 (24.7.2002) by Finance Act 2002 (c. 23), **Sch. 30 para. 1(2)**

F943 S. 338A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 25, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F944}338B Charges on income: annuities or other annual payments

F945]

Textual Amendments

F944 Ss. 338-338B substituted for s. 338 (24.7.2002) by Finance Act 2002 (c. 23), **Sch. 30 para. 1(2)**

F945 S. 338B repealed (with effect in accordance with s. 38(7) of the repealing Act) by Finance (No. 2) Act 2005 (c. 22), **Sch. 11 Pt. 2(7)**, Note

339 Charges on income: donations to charity.

F946

Textual Amendments

F946 S. 339 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 26, **Sch. 3 Pt. 1** (with Sch. 2); and s. 339 amended (1.4.2010 with effect in accordance with art. 5(2) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2010 (S.I. 2010/157), **arts. 1, 5(1)**

[^{F947}^{F948}339A.....

.....]

Textual Amendments

F947 S. 339A inserted (in relation to accounting periods ending on or after 1 October 1990) by Finance Act 1990 (c. 29), s. 27(3)(4)

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F948 S. 339A repealed (in relation to accounting periods beginning on or after 19.3.1991) by [Finance Act 1991 \(c. 31\)](#), ss. 71(1)(3), 123, [Sch. 19 Pt. V](#), Note 5; and s. 339A modified in its application to accounting periods beginning before 19.3.1991 and ending on or after that date by s. 71(4) of that repealing Act

^{F949}340 Charges on income: interest payable to non-residents.

.....

Textual Amendments

F949 S. 340 repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 17, [Sch. 41 Pt. 5\(3\)](#), Note (with Sch. 15)

^{F950}341 Payments of interest etc. between related companies.

.....

Textual Amendments

F950 S. 341 repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 17, [Sch. 41 Pt. 5\(3\)](#), Note (with Sch. 15)

342 Tax on company in liquidation.

F951

Textual Amendments

F951 S. 342 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), Sch. 1 para. 27, [Sch. 3 Pt. 1](#) (with Sch. 2)

[^{F952}342A] Tax on companies in administration

F953]

Textual Amendments

F952 S. 342A inserted (with effect in accordance with [Sch. 41 para. 5\(1\)](#) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 41 para. 3](#)

F953 S. 342A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), Sch. 1 para. 28, [Sch. 3 Pt. 1](#) (with Sch. 2)

343 Company reconstructions without a change of ownership.

F954

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Textual Amendments

F954 S. 343 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 29, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F955}**343ZA** **Transfers of trade to obtain balancing allowances**

^{F956}

Textual Amendments

F955 S. 343ZA inserted (with effect in accordance with s. 89(2) of the amending Act) by Finance Act 2008 (c. 9), **s. 89(1)**

F956 S. 343ZA repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 30, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F957}**343A** **Company reconstructions involving business of leasing plant or machinery**

^{F958}

Textual Amendments

F957 S. 343A inserted (19.7.2007, the inserted subsections (2) and (3) having effect in accordance with Sch. 6 para. 1(3)-(5) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 6 para. 1(2)**

F958 S. 343A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 31, **Sch. 3 Pt. 1** (with Sch. 2)

344 Company reconstructions: supplemental.

^{F959}

Textual Amendments

F959 S. 344 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 32, **Sch. 3 Pt. 1** (with Sch. 2)

Chargeable gains

[^{F960}**345**

Textual Amendments

F960 S. 345 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 20, 22, 26(2), 27).

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^{F961}**346**

Textual Amendments

F961 S. 346 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 20, 22, 26(2), 27).

^{F962}**347**

Textual Amendments

F962 S. 347 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch.12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 20, 22, 26(2), 27).

PART IX

ANNUAL PAYMENTS AND INTEREST

Annual payments

[^{F963}**347A** **General rule.**

^{F964}

Textual Amendments

F963 Ss. 347A, 347B inserted by Finance Act 1988 (c. 39), s. **36(1)(3)-(5)**

F964 S. 347A repealed (with effect in accordance with Sch. 5 para. 1(3)(5) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 5 para. 1(2)(4), **Sch. 27 Pt. 2(3)**, Note

[^{F965}**347B** **Qualifying maintenance payments.**

^{F966}

Textual Amendments

F965 Ss. 347A, 347B inserted by Finance Act 1988 (c. 39), s. **36(1)(3)-(5)**

F966 S. 347B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 53, **Sch. 3 Pt. 1** (with Sch. 2)

348 **Payments out of profits or gains brought into charge to income tax: deduction of tax.**

^{F967}

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F967 S. 348 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 54, Sch. 3 Pt. 1](#) (with [Sch. 2](#)); and s. 348 amended (6.4.2007) by [Finance Act 2005 \(c. 7\), Sch. 10 paras. 62, 64\(2\), Sch. 11 Pt. 4](#), Note 1

349 Payments not out of profits or gains brought into charge to income tax, and annual interest.

F968

Textual Amendments

F968 S. 349 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 55, Sch. 3 Pt. 1](#) (with [Sch. 2](#)); and s. 349 amended (6.4.2007) by [Finance Act 2005 \(c. 7\), Sch. 10 paras. 62, 64\(2\), Sch. 11 Pt. 4](#), Note 1

[^{F969}**349ZA Extension of section 349: proceeds of sale of UK patent rights**

F970]

Textual Amendments

F969 S. 349ZA inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 149](#) (with [Sch. 2](#))

F970 S. 349ZA repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 56, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F971}**349A Exceptions to section 349 for payments between companies etc**

F972

Textual Amendments

F971 Ss. 349A-349D inserted (with application in accordance with s. 85(4) of the amending Act) by [Finance Act 2001 \(c. 9\), s. 85\(1\)](#)

F972 Ss. 349A-349D repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 57, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

349B The conditions mentioned in section 349A(1)

F973

Textual Amendments

F971 Ss. 349A-349D inserted (with application in accordance with s. 85(4) of the amending Act) by [Finance Act 2001 \(c. 9\), s. 85\(1\)](#)

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F973 Ss. 349A-349D repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 57, **Sch. 3 Pt. 1** (with Sch. 2)

349C Directions disapplying section 349A(1)

F974

Textual Amendments

F971 Ss. 349A-349D inserted (with application in accordance with s. 85(4) of the amending Act) by Finance Act 2001 (c. 9), s. **85(1)**

F974 Ss. 349A-349D repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 57, **Sch. 3 Pt. 1** (with Sch. 2)

349D Section 349A(1): consequences of reasonable but incorrect belief

F975]

Textual Amendments

F971 Ss. 349A-349D inserted (with application in accordance with s. 85(4) of the amending Act) by Finance Act 2001 (c. 9), s. **85(1)**

F975 Ss. 349A-349D repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 57, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F976}349E Deductions under section 349(1): payment of royalties overseas

F977]

Textual Amendments

F976 S. 349E inserted (with application in accordance with s. 96(4) of the amending Act) by Finance Act 2002 (c. 23), s. **96(1)**

F977 S. 349E repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 58, **Sch. 3 Pt. 1** (with Sch. 2)

350 Charge to tax where payments made under section 349.

F978

Textual Amendments

F978 S. 350 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 59, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F979}350AUK public revenue dividends: deduction of tax.

F980]

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Textual Amendments

F979 S. 350A inserted (with application in accordance with s. 112(5) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), s. 112(4)

F980 S. 350A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 60, **Sch. 3 Pt. 1** (with Sch. 2)

^{F981}351 Small maintenance payments.

.....

Textual Amendments

F981 S. 351 repealed by [Finance Act 1988 \(c. 39\)](#) s. 36(6), Sch.14 Part IV, Note 5 (with s. 36(3))

352 Certificates of deduction of tax.

^{F982}

Textual Amendments

F982 S. 352 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 61, **Sch. 3 Pt. 1** (with Sch. 2)

Relief for payments of interest (excluding MIRAS)

353 General provision.

[^{F983}(1) Where a person pays interest in any year of assessment, that person, if he makes a claim to the relief, shall for that year of assessment be entitled (subject to ^{F984} . . . [^{F985}section 52 of ITTOIA 2005]) to relief in accordance with this section in respect of so much (if any) of the amount of that interest as is eligible for relief under this section by virtue of [^{F986}section 365].]

[^{F987} Where a person is entitled for a year of assessment to relief under this section in respect ^{F988}(1A) of an amount of interest which is eligible for relief by virtue of section 365, the relief is given as a tax reduction for that tax year.

(1AA) The amount of the tax reduction is 23% of the amount of the interest.

(1AB) The tax reduction is given effect at Step 6 of the calculation in section 23 of ITA 2007.]

(1B) ^{F989}

(1C) ^{F990}

(1D) ^{F990}

(1E) Where any person is entitled for any year of assessment to relief ^{F991} . . . in respect of any amount of interest as is eligible for that relief partly as mentioned in subsection (1A) above and partly as mentioned in [^{F992}section 383 of ITA 2007 (relief for interest

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payments)], that amount of interest shall be apportioned between the cases to which each of [^{F993}those provisions] applies without regard to what parts of the total amount borrowed remain outstanding but according to ^{F994} . . . —

- (a) the proportions of the total amount borrowed which were applied for different purposes; ^{F995} . . .
- (b) ^{F995}

[^{F996}and subsection (1A) above or section 383 of ITA 2007 shall apply accordingly to the case in which that subsection or section applies].

(1F) ^{F997}

(1G) ^{F997}

(1H) ^{F997}]

(2) ^{M43}This section does not apply to a payment of relevant loan interest to which section 369 applies.

(3) ^{M44}Relief under this section shall not be given in respect of—

- (a) interest on a debt incurred by overdrawing an account or by debiting the account of any person as the holder of a credit card or under similar arrangements; or
- (b) where interest is paid at a rate in excess of a reasonable commercial rate, so much of the interest as represents the excess.

(4) ^{F998}

(5) ^{F998}

Textual Amendments

- F983** S. 353(1) substituted (with effect in accordance with s. 81(6) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 81\(1\)](#)
- F984** Words in s. 353(1) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 62\(2\)\(a\), Sch. 3 Pt. 1 \(with Sch. 2\)](#)
- F985** Words in s. 353(1) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 152 \(with Sch. 2\)](#)
- F986** Words in s. 353(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 62\(2\)\(b\) \(with Sch. 2\)](#)
- F987** S. 353(1A)-(1H) inserted (with effect in accordance with s. 81(6) of the amending Act) by [Finance Act 1994 \(c. 9\), s. 81\(2\)](#)
- F988** S. 353(1A)-(1AB) substituted for s. 353(1A) (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 62\(3\) \(with Sch. 2\)](#)
- F989** S. 353(1B) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 62\(4\), Sch. 3 Pt. 1 \(with Sch. 2\)](#)
- F990** S. 353(1C)(1D) repealed (with effect in accordance with s. 42(3)-(5) of the repealing Act) by [Finance Act 1995 \(c. 4\), Sch. 29 Pt. 8\(2\), Note](#)
- F991** Words in s. 353(1E) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 62\(5\)\(a\), Sch. 3 Pt. 1 \(with Sch. 2\)](#)
- F992** Words in s. 353(1E) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 62\(5\)\(b\) \(with Sch. 2\)](#)
- F993** Words in s. 353(1E) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 62\(5\)\(c\) \(with Sch. 2\)](#)

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- F994** Words in s. 353(1E) repealed (with effect in accordance with s. 42(3)-(5) of the repealing Act) by Finance Act 1995 (c. 4), **Sch. 29 Pt. 8(2)**, Note
- F995** S. 353(1E)(b) and preceding word repealed (with effect in accordance with s. 42(3)-(5) of the repealing Act) by Finance Act 1995 (c. 4), **Sch. 29 Pt. 8(2)**, Note
- F996** Words in s. 353(1E) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 62(5)(d)** (with Sch. 2)
- F997** S. 353(1F)-(1H) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 62(6), **Sch. 3 Pt. 1** (with Sch. 2)
- F998** S. 353(4)(5) repealed (with effect in accordance with s. 81(6) of the repealing Act) by Finance Act 1994 (c. 9), Sch. 9 para. 3, **Sch. 26 Pt. 5(2)**, Note

Modifications etc. (not altering text)

- C27** S. 353 restricted (1.5.1995) by Finance Act 1995 (c. 4), s. 123, **Sch. 22 para. 2**
- C28** S. 353 restricted (27.7.1999) by Finance Act 1999 (c. 16), **s. 38(1)**

Marginal Citations

- M43** Source-1986 s.26(1)
- M44** Source-1972 s.75(1A), (2); 1974 s.19(1)(b)

354 Loans to buy land etc.

F999

Textual Amendments

- F999** Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by Finance Act 1999 (c. 16), Sch. 4 para. 2, **Sch. 20 Pt. 3(7)**

355 Matters excluded from section 354.

F1000

Textual Amendments

- F1000** Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by Finance Act 1999 (c. 16), Sch. 4 para. 2, **Sch. 20 Pt. 3(7)**

356 Job-related accommodation.

F1001

Textual Amendments

- F1001** Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by Finance Act 1999 (c. 16), Sch. 4 para. 2, **Sch. 20 Pt. 3(7)**

[^{F1002}356A] Limit on relief for home loans: residence basis.

F1003

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Textual Amendments

F1002Ss. 356A-356D inserted (1.8.1988) by [Finance Act 1988 \(c. 39\), s.42\(1\)\(4\)](#)

F1003Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\), Sch. 4 para. 2, Sch. 20 Pt. 3\(7\)](#)

[^{F1004} **356B** **Residence basis: married couples.**

F1005]

Textual Amendments

F1004Ss. 356A-356D inserted (1.8.1988) by [Finance Act 1988 \(c. 39\), s. 42\(1\)\(4\)](#); and s. 356B substituted (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\), Sch. 3 para. 14](#)

F1005Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\), Sch. 4 para. 2, Sch. 20 Pt. 3\(7\)](#)

[^{F1006} **356C** **Payments to which sections 356A and 356B apply.**

F1007]

Textual Amendments

F1006Ss. 356A-356D inserted (1.8.1988) by [Finance Act 1988 \(c. 39\), s.42\(1\)\(4\)](#)

F1007Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\), Sch. 4 para. 2, Sch. 20 Pt. 3\(7\)](#)

[^{F1008} **356D** **Provisions supplementary to sections 356A to 356C.**

F1009]

Textual Amendments

F1008Ss. 356A-356D inserted (1.8.1988) by [Finance Act 1988 \(c. 39\), s.42\(1\)\(4\)](#)

F1009Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\), Sch. 4 para. 2, Sch. 20 Pt. 3\(7\)](#)

357 Limit on amount of loan eligible for relief by virtue of section 354.

F1010

Textual Amendments

F1010Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\), Sch. 4 para. 2, Sch. 20 Pt. 3\(7\)](#)

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[^{F1011}**357A** **Substitution of security.**

F1012]

Textual Amendments

F1011 Ss. 357A-357C inserted (27.7.1993) by [Finance Act 1993 \(c. 34\)](#), s. 56

F1012 Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), Sch. 4 para. 2, **Sch. 20 Pt. 3(7)**

[^{F1013}**357B** **Treatment of loans following security substitution.**

F1014]

Textual Amendments

F1013 Ss. 357A-357C inserted (27.7.1993) by [Finance Act 1993 \(c. 34\)](#), s. 56

F1014 Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), Sch. 4 para. 2, **Sch. 20 Pt. 3(7)**

[^{F1015}**357C** **Substitution of security: supplemental.**

F1016]

Textual Amendments

F1015 Ss. 357A-357C inserted (27.7.1993) by [Finance Act 1993 \(c. 34\)](#), s. 56

F1016 Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), Sch. 4 para. 2, **Sch. 20 Pt. 3(7)**

358 Relief where borrower deceased.

F1017]

Textual Amendments

F1017 Ss. 354-358 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), Sch. 4 para. 2, **Sch. 20 Pt. 3(7)**

359 Loan to buy machinery or plant.

F1018]

Textual Amendments

F1018 S. 359 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 63, **Sch. 3 Pt. 1** (with Sch. 2)

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360 Loan to buy interest in close company.

F1019

Textual Amendments

F1019S. 360 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 64, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F1020}360 Meaning of “material interest” in section 360.

F1021]

Textual Amendments

F1020S. 360A inserted by [Finance Act 1989 \(c. 26\)](#), s. 48(2)

F1021S. 360A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 65, **Sch. 3 Pt. 1** (with Sch. 2)

361 Loan to buy interest in co-operative or employee-controlled company.

F1022

Textual Amendments

F1022S. 361 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 66, **Sch. 3 Pt. 1** (with Sch. 2)

362 Loan to buy into partnership.

F1023

Textual Amendments

F1023S. 362 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 67, **Sch. 3 Pt. 1** (with Sch. 2)

363 Provisions supplementary to sections 360 to 362.

F1024

Textual Amendments

F1024S. 363 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 68, **Sch. 3 Pt. 1** (with Sch. 2)

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364 Loan to pay inheritance tax.

F1025

Textual Amendments

F1025S. 364 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 69, [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

365 Loan to buy life annuity.

^{M45}(1) Subject to the following provisions of this section, interest is eligible for relief under section 353 if it is interest on a loan in respect of which the following conditions are satisfied—

- [^{F1026}(aa) that the loan was made before 9th March 1999;]
- (a) that the loan was made as part of a scheme under which not less than nine-tenths of the proceeds of the loan were applied to the purchase by the person to whom it was made of an annuity ending with his life or with the life of the survivor of two or more persons (“the annuitants”) who include the person to whom the loan was made;
 - (b) that at the time the loan was made the person to whom it was made or each of the annuitants had attained the age of 65 years;
 - (c) that the loan was secured on land in the United Kingdom or the Republic of Ireland and the person to whom it was made or one of the annuitants owns an estate or interest in that land; and
 - (d) that, if the loan was made after 26th March 1974, the person to whom it was made or each of the annuitants [^{F1027}used the land on which it was secured as his only or main residence immediately before 9th March 1999] .

[^{F1028}(1AA) Where—

- (a) a loan made on or after 9th March 1999 was made in pursuance of an offer made by the lender before that date, and
- (b) the offer was either in writing or evidenced by a note or memorandum made by the lender before that date,

the loan shall be deemed for the purposes of subsection (1)(aa) above to have been made before that date.]

[^{F1029}(1AB) Subject to subsection (1AC) below, the conditions in paragraphs (aa) and (a) of subsection (1) above shall be treated as satisfied in relation to a loan (“the new loan”) if—

- (a) the new loan was made on or after the day on which the Finance Act 1999 was passed;
- (b) the new loan was made as part of a scheme (“the scheme”) under which the whole or any part of the proceeds of the loan was used to defray money applied in paying off another loan (“the old loan”); and
- (c) the conditions in subsection (1) above were, or were treated by virtue of this subsection as, satisfied with respect to the old loan.

(1AC) If only part of the proceeds of the new loan was used to defray money applied in paying off the old loan, subsection (1AB) above applies only if, under the scheme, not less than nine-tenths of the remaining part of the proceeds of the new loan was applied to

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the purchase by the person to whom it was made of an annuity ending with his life or with the life of the survivor of two or more persons who include him.

(1AD) In subsection (1AC) above “the remaining part” means the part of the proceeds of the new loan that was not used to defray money applied in paying off the old loan.]

[^{F1030}[^{F1031}(1A) The condition in subsection (1)(d) above shall be treated as satisfied in relation to a loan if—

- (a) the person to whom the loan was made, or any of the annuitants, ceased to use the land as his only or main residence at a time falling within the period of twelve months ending with 8th March 1999, and
- (b) the intention at that time of the person to whom the loan was made, or each of the annuitants owning an estate or interest in the land, was to take steps, before the end of the period of twelve months after the day on which the land ceased to be so used, with a view to the disposal of his estate or interest.]

(1B) If it appears to the Board reasonable to do so, having regard to all the circumstances of a particular case, they may direct that in relation to that case subsection (1A) above shall have effect as if for the reference to 12 months there were substituted a reference to such longer period as meets the circumstances of that case.]

(2) Interest is not eligible for relief by virtue of this section unless it is payable by the person to whom the loan was made or by one of the annuitants.

(3) If the loan was made after 26th March 1974 interest on it is eligible for relief by virtue of this section only to the extent that the amount on which it is payable does not exceed [^{F1032}the sum of £30,000]; and if the interest is payable by two or more persons the interest payable by each of them is so eligible only to the extent that the amount on which it is payable does not exceed such amount as bears to [^{F1033}that sum] the same proportion as the interest payable by him bears to the interest payable by both or all of them.

Textual Amendments

F1026S. 365(1)(aa) inserted (with effect in accordance with s. 39(3) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 39\(1\)](#)

F1027Words in s. 365(1)(d) inserted (with effect in accordance with s. 40(5) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 40\(2\)](#)

F1028S. 365(1AA) inserted (with effect in accordance with s. 39(3) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 39\(2\)](#)

F1029S. 365(1AB)-(1AD) inserted (with effect in accordance with s. 40(5) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 40\(3\)](#)

F1030S. 365(1A)(1B) inserted (27.7.1993 with effect in relation to payments of interest made on or after 16 March 1993 (whenever falling due)) by [Finance Act 1993 \(c. 34\), s. 57\(3\)\(5\)\(6\)](#)

F1031S. 365(1A) substituted (with effect in accordance with s. 40(5) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 40\(4\)](#)

F1032Words in s. 365(3) substituted (with effect in accordance with s. 83(4) of the amending Act) by [Finance Act 2000 \(c. 17\), s. 83\(1\)\(a\)](#)

F1033Words in s. 365(3) substituted (with effect in accordance with s. 83(4) of the amending Act) by [Finance Act 2000 \(c. 17\), s. 83\(1\)\(b\)](#)

Marginal Citations

M45 Source-1974 Sch.1 24; 1984 s.22(3)

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366 Information.

- (1) ^{M46}A person who claims relief under section 353 in respect of any payment of interest shall furnish to the inspector a statement in writing by the person to whom the payment is made, showing—
 - (a) the date when the debt was incurred;
 - (b) the amount of the debt when incurred;
 - (c) the interest paid in the year of assessment for which the claim is made ^{F1034} . . . ; and
 - (d) the name and address of the debtor.
- (2) ^{M47}Where any such interest as is mentioned in section 353 is paid, the person to whom it is paid shall, if the person who pays it so requests in writing, furnish him with such statement as regards that interest as is mentioned in subsection (1) above; and the duty imposed by this subsection shall be enforceable at the suit or instance of the person making the request.
- (3) Subsections (1) and (2) above do not apply to interest paid to a building society, or to a local authority.

Textual Amendments

F1034 Words in s. 366(1)(c) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 70, Sch. 3 Pt. 1 \(with Sch. 2\)](#)

Marginal Citations

M46 Source-1972 Sch.10 7; 1974 Sch.1 25(1)
M47 Source-1972 Sch.10 8, 9

367 Provisions supplementary to sections 354 to 366.

- (1) ^{F1035}
- (2) ^{F1036}
- (3) ^{F1036}
- (4) ^{F1036}
- (5) ^{M48}In [^{F1037}section] 365(3) references to the qualifying maximum for the year of assessment are references to such sum as Parliament may determine for the purpose for that year.

Textual Amendments

F1035 S. 367(1) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\), Sch. 4 para. 3\(2\), Sch. 20 Pt. 3\(7\)](#)

F1036 S. 367(2)-(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 71, Sch. 3 Pt. 1 \(with Sch. 2\)](#)

F1037 Words in s. 367(5) substituted (with effect in accordance with Sch. 4 para. 18(5) of the amending Act) by [Finance Act 1999 \(c. 16\), Sch. 4 para. 3\(4\)](#)

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Modifications etc. (not altering text)

- C29** S. 367(5): £30,000 specified (1988-89) by [Finance Act 1988 \(c. 39\), s. 41](#)
S. 367(5): £30,000 specified (1989-90) by [Finance Act 1989 \(c. 26\), s. 46](#)
S. 367(5): £30,000 specified (1990-91) by [Finance Act 1990 \(c. 29\), s. 71](#)
S. 367(5): £30,000 specified (1991-92) by [Finance Act 1991 \(c. 31\), s. 26](#)
S. 367(5): £30,000 specified (1992-93) by [Finance Act 1992 \(c. 20\), s. 10\(4\)](#) (with s. 10(5))
S. 367(5): £30,000 specified (1993-94) by [Finance Act 1993 \(c. 34\), s. 55](#)
S. 367(5): £30,000 specified (1994-95, 1995-96) by [Finance Act 1994 \(c. 9\), s. 80](#)
S. 367(5): £30,000 specified (1996-97) by [Finance Act 1996 \(c. 8\), s. 76](#)
S. 367(5): £30,000 specified (1997-98) by [Finance Act 1997 \(c. 16\), s. 57](#)
S. 367(5): £30,000 specified (1998-99) by [Finance \(No. 2\) Act 1997 \(c. 58\), s. 16](#)
S. 367(5): £30,000 specified (1999-2000) by [Finance Act 1999 \(c. 16\), s. 37](#)

Marginal Citations

- M48** Source-1972 Sch.9 5(1A); 1984 s.22(1)(c)

[^{F1038} **367A** **Alternative finance arrangements**

- (1) Sections 353 and 365 have effect as if—
- (a) purchase and resale arrangements involved the making of a loan, and
 - (b) alternative finance return were interest.
- (2) Section 366 has effect accordingly.
- (3) In this section—
- “alternative finance return” has the meaning given in sections 564I to 564L of ITA 2007, and
 - “purchase and resale arrangements” means arrangements to which section 564C of ITA 2007 applies.]

Textual Amendments

- F1038S.** 367A inserted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 2 para. 47](#) (with Sch. 9)

368 Exclusion of double relief etc.

^{F1039}

Textual Amendments

- F1039S.** 368 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 72, Sch. 3 Pt. 1](#) (with Sch. 2)

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Mortgage interest relief at source

369 Mortgage interest payable under deduction of tax.

- (1) ^{M49}If a person who is a qualifying borrower makes a payment of relevant loan interest to which this section applies, he shall be entitled, on making the payment, to deduct and retain out of it a sum equal to [^{F1040}the applicable percentage thereof.]
- [^{F1041}(1A) In subsection (1) above “the applicable percentage” means [^{F1042}23 per cent.].]
- (2) Where a sum is deducted under subsection (1) above from a payment of relevant loan interest—
- (a) the person to whom the payment is made shall allow the deduction on receipt of the residue;
 - (b) the borrower shall be acquitted and discharged of so much money as is represented by the deduction as if the sum had been actually paid; and
 - (c) the sum deducted shall be treated as income tax paid by the person to whom the payment is made.
- [^{F1043}(3) The following payments, that is to say—
- (a) payments of relevant loan interest to which this section applies, and
 - (b) payments which would be such payments but for section 373(5),
- shall not be allowable as deductions for any purpose of the Income Tax Acts except in so far as they fall to be treated as such payments by virtue only of section 375(2) and would be allowable apart from this subsection.]
- (6) [^{F1044M50}Sections 967(2) and 968(2) of CTA 2010 do not apply to a payment of relevant loan interest to which this section applies, but any person by whom such a payment] is received shall be entitled to recover from the Board, in accordance with regulations, an amount which by virtue of subsection (2)(c) above is treated as income tax paid by him; and any amount so recovered shall be treated for the purposes of the Tax Acts in like manner as the payment of relevant loan interest to which it relates.
- [^{F1045}(7) The following provisions of the Management Act, namely—
- [^{F1046}(a) section 29(1)(c) (excessive relief) as it has effect apart from section 29(2) to (10) of that Act;]
 - (b) section 30 (tax repaid in error etc.) [^{F1047}apart from subsection (1B)],
 - (c) [^{F1048}section 86] (interest), and
 - (d) section 95 (incorrect return or accounts),
- shall apply in relation to an amount which is paid to any person by the Board as an amount recoverable in accordance with regulations made by virtue of subsection (6) above but to which that person is not entitled as if it were income tax which ought not to have been repaid and, where that amount was claimed by that person, as if it had been repaid [^{F1049}as respects a chargeable period] as a relief which was not due.]
- [^{F1050}(8) In the application of section 86 of the Management Act by virtue of subsection (7) above in relation to sums due and payable by virtue of an assessment made for the whole or part of a year of assessment (“the relevant year of assessment”) under section 29(1)(c) or 30 of that Act, as applied by that subsection, the relevant date—
- (a) is 1st January in the relevant year of assessment in a case where the person falling within subsection (6) above has made a relevant interim claim; and
 - (b) in any other case, is the later of the following dates, that is to say—

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- (i) 1st January in the relevant year of assessment; or
- (ii) the date of the making of the payment by the Board which gives rise to the assessment.

(9) In this section—

“financial year”, in relation to any person, means a financial year of that person for the purposes of the relevant regulations;

“interim claim” means an interim claim within the meaning of the relevant regulations;

“relevant interim claim” means, in relation to an assessment made for a period coterminous with, or falling wholly within, a person’s financial year, an interim claim made for a period falling wholly or partly within that financial year; and

“the relevant regulations” means regulations made under section 378(3) for the purposes of subsection (6) above.]

Textual Amendments

- F1040** Words in s. 369(1) substituted (with effect in accordance with s. 81(6) of the amending Act) by Finance Act 1994 (c. 9), s. 81(3)
- F1041** S. 369(1A) substituted (with effect in accordance with Sch. 4 para. 18(5) of the amending Act) by Finance Act 1999 (c. 16), Sch. 4 para. 4
- F1042** Words in s. 369(1A) substituted (with effect in accordance with s. 83(4) of the amending Act) by Finance Act 2000 (c. 17), s. 83(3)
- F1043** S. 369(3) substituted for s. 369(3)-(5B) (with effect in accordance with s. 81(6) of the amending Act) by Finance Act 1994 (c. 9), s. 81(4)
- F1044** Words in s. 369(6) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 33 (with Sch. 2)
- F1045** S. 369(7) inserted (27.7.1993) by 1993 c. 34, s. 58(1)(2)
- F1046** S. 369(7)(a) substituted (with effect in accordance with Sch. 18 para. 17(2) of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 6(2)(a)
- F1047** Words in s. 369(7)(b) inserted (with effect in accordance with Sch. 18 para. 17(2) of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 6(2)(b)
- F1048** Words in s. 369(7)(c) substituted (with effect in accordance with Sch. 18 para. 17(3) of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 6(2)(c)
- F1049** Words in s. 369(7) inserted (with effect in accordance with Sch. 18 para. 17(8) of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 6(2)(d)
- F1050** S. 369(8)(9) inserted (with effect in accordance with Sch. 18 para. 17(3) of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 6(3)

Modifications etc. (not altering text)

- C30** S. 369(1) excluded (27.7.1999) by Finance Act 1999 (c. 16), s. 38(2)-(7)

Marginal Citations

- M49** Source-1982 s.26(1), (2)
M50 Source-1982 s.26(7)

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370 Relevant loan interest.

- (1) ^{M51}Subject to this section and [^{F1051}sections 373] to 376, in this Part “relevant loan interest” means interest which is paid and payable in the United Kingdom to a qualifying lender and to which subsection (2) ^{F1052} . . . below applies.
- (2) Subject to subsection (4) below, this subsection applies to interest if, disregarding section 353(2) [^{F1053} and any other provision applying to interest falling to be treated as relevant loan interest]—
 - (a) it is interest falling within section ^{F1054} . . . 365; and
 - (b) apart [^{F1055}(where applicable) from] section ^{F1054} . . . 365(3), the whole of the interest [^{F1056}would be eligible for relief under section 353]; ^{F1057} . . .
 - (c) ^{F1057}
- (3) ^{F1058}
- (4) ^{F1058}
- (5) ^{M52}In determining whether subsection (2) above applies to any interest, [^{F1059}section 365 shall] have effect as if the words “or the Republic of Ireland” were omitted.
- (6) ^{F1058}
- [^{F1060}(6A) ^{F1061}]
- (7) ^{F1058}

Textual Amendments

- F1051** Words in s. 370(1) substituted (with effect in accordance with Sch. 4 para. 18(5) of the amending Act) by Finance Act 1999 (c. 16), Sch. 4 para. 5(2)(a)
- F1052** Words in s. 370(1) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by Finance Act 1999 (c. 16), Sch. 4 para. 5(2)(b), Sch. 20 Pt. 3(7)
- F1053** Words in s. 370(2) inserted (with effect in accordance with s. 81(6) of the amending Act) by Finance Act 1994 (c. 9), Sch. 9 para. 10(1)(a)
- F1054** Words in s. 370(2) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by Finance Act 1999 (c. 16), Sch. 4 para. 5(3), Sch. 20 Pt. 3(7)
- F1055** Words in s. 370(2)(b) substituted (with effect in accordance with s. 81(6) of the amending Act) by Finance Act 1994 (c. 9), Sch. 9 para. 10(1)(b)
- F1056** Words in s. 370(2)(b) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 155 (with Sch. 2)
- F1057** S. 370(2)(c) and preceding word repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by Finance Act 1999 (c. 16), Sch. 4 para. 5(3), Sch. 20 Pt. 3(7)
- F1058** S. 370(3)(4)(6)(7) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by Finance Act 1999 (c. 16), Sch. 4 para. 5(4), Sch. 20 Pt. 3(7)
- F1059** Words in s. 370(5) substituted (with effect in accordance with Sch. 4 para. 18(5) of the amending Act) by Finance Act 1999 (c. 16), Sch. 4 para. 5(5)
- F1060** S. 370(6A) inserted (with effect in accordance with s. 81(6) of the amending Act) by Finance Act 1994 (c. 9), Sch. 9 para. 10(2)
- F1061** S. 370(6A) repealed (with effect in accordance with s. 42(3)-(5) of the repealing Act) by Finance Act 1995 (c. 4), Sch. 29 Pt. 8(2), Note

Marginal Citations

- M51** Source-1982 Sch.7 2(1)-(3)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

M52 Source-1982 Sch.7 3(1)-(3)

F1062 **371 Second loans.**

.....

Textual Amendments

F1062**S. 371** repealed (27.7.1993 with effect in relation to payments of interest made on or after 16 March 1993 (whenever falling due)) by [Finance Act 1993 \(c. 34\)](#), ss. 57, 213, **Sch. 23 Pt.III**

372 Home improvement loans.

F1063

Textual Amendments

F1063**S. 372** repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), Sch. 4 para. 6, **Sch. 20 Pt. 3(7)**

373 Loans in excess of the qualifying maximum, and joint borrowers.

- (1) ^{M53}The provisions of this section have effect in relation to a loan where, by virtue of ^{F1064} . . . section 365(3), only part of the interest on the loan would (apart from section 353(2)) be eligible for relief under section 353; and in this section any such loan is referred to as a “limited loan”.
- (2) None of the interest on a limited loan is relevant loan interest unless—
 - (a) the loan is made on or after 6th April 1987; or
 - (b) the qualifying lender to whom the interest is payable has given notice to the Board in accordance with regulations that he is prepared to have limited loans of a description which includes that limited loan brought within the tax deduction scheme.
- (3) ^{F1065}
- (4) ^{F1065}
- (5) ^{M54}Where the condition in paragraph (a) or (b) of subsection (2) above is fulfilled ^{F1066} . . . only so much of the interest as (apart from section 353(2)) would be eligible for relief under section 353 is relevant loan interest.
- (6) ^{M55}Where a loan on which interest is payable by the borrower was made jointly to the borrower and another person who is not the borrower’s husband or wife, the interest on the loan is not relevant loan interest unless—
 - (a) each of the persons to whom the loan was made is a qualifying borrower; and
 - (b) in relation to each of them considered separately, the whole of that interest is relevant loan interest, in accordance with [^{F1067}section 370] and this section.
- (7) In subsection (6) above references to the borrower’s husband or wife do not include references to a separated husband or wife ^{F1068}

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Textual Amendments

- F1064** Words in s. 373(1) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 7\(2\)\(a\)](#), [Sch. 20 Pt. 3\(7\)](#)
- F1065** S. 370(3)(4) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 7\(2\)\(b\)](#), [Sch. 20 Pt. 3\(7\)](#)
- F1066** Words in s. 373(5) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 7\(2\)\(c\)](#), [Sch. 20 Pt. 3\(7\)](#)
- F1067** Words in s. 373(6) substituted (with effect in accordance with Sch. 4 para. 18(5) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 7\(3\)](#)
- F1068** Words in s. 373(7) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 7\(2\)\(d\)](#), [Sch. 20 Pt. 3\(7\)](#)

Marginal Citations

- M53** Source-1982 Sch.7 5(1)-(3); 1985 s.37(2)
- M54** Source-1982 Sch.7 5(4); 1983 s.17(2); 1985 s.37(3)
- M55** Source-1982 Sch.7 6(1), (2)

374 Conditions for application of section 369.

- (1) ^{M56}Section 369 does not apply to any relevant loan interest unless—
- (a) in the case of a loan of a description specified by regulations for the purposes of this paragraph, the borrower or, in the case of joint borrowers, each of them has given notice to the lender in the prescribed form certifying—
 - (i) that he is a qualifying borrower; and
 - (ii) that the interest is relevant loan interest; and
 - (iii) such other matters as may be prescribed; or
 - (b) the Board have given notice to the lender and the borrower that the interest may be paid under deduction of tax; or
 - (c) ^{F1069}
 - (d) ^{M57}the loan to which the interest relates is of a description specified by regulations for the purposes of this paragraph and was made—
 - (i) if sub-paragraph (2) of paragraph 2 of Schedule 7 to the Finance Act 1982 applied to interest on the loan which became due on or after a date earlier than 6th April 1983, being a date specified by the Board in pursuance of sub-paragraph (5) of that paragraph, before that earlier date; or
 - (ii) if the qualifying lender is a building society or a local authority, before 1st April 1983; or
 - (iii) if sub-paragraphs (i) and (ii) above do not apply and the interest falls within section 370(2), before 6th April 1983.
- (2) ^{M58}Where notice has been given as mentioned in paragraph (a) or (b) of subsection (1) above, section 369 applies to any relevant loan interest to which the notice relates and which becomes due on or after the relevant date, as defined by subsection (3) below; and in a case falling within paragraph ^{F1070} . . . (d) of subsection (1) above, section 369 applies to the relevant loan interest referred to in that paragraph.
- (3) In subsection (2) above “the relevant date” means—

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- (a) in the case of a notice under subsection (1)(a) above, the date the notice is given, and
- (b) in the case of a notice under subsection (1)(b) above, a date specified in the notice as being the relevant date (which may be earlier than the date so specified as the date from which the interest may be paid under deduction of tax).

Textual Amendments

F1069S. 374(1)(c) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 8](#), [Sch. 20 Pt. 3\(7\)](#)

F1070Words in s. 374(2) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 8](#), [Sch. 20 Pt. 3\(7\)](#)

Marginal Citations

M56 Source-1982 Sch.7 7(1)(a)-(c)

M57 Source-1982 Sch.7 7(1)(d), (4), (5)

M58 Source-1982 Sch.7 7(2)(3)

[^{F1071}374A Interest which never has been relevant loan interest etc.

- (1) This section applies where, in the case of any loan, interest on the loan never has been relevant loan interest or the borrower never has been a qualifying borrower.
- (2) Without prejudice to subsection (3) below, in relation to a payment of interest—
 - (a) as respects which either of the conditions mentioned in paragraphs (a) and (b) of section 374(1) is fulfilled, and
 - (b) from which a deduction was made as mentioned in section 369(1),section 369 shall have effect as if the payment of interest were a payment of relevant loan interest made by a qualifying borrower.
- (3) Nothing in subsection (2) above shall be taken as regards the borrower as entitling him to make any deduction or to retain any amount deducted and, accordingly, where any amount has been deducted, he shall be liable to make good that amount and an officer of the Board may make such assessments as may in his judgment be required for recovering that amount.
- (4) The Management Act shall apply to an assessment under subsection (3) above as if it were an assessment to income tax for the year of assessment in which the deduction was made ^{F1072}
- (5) If the borrower fraudulently or negligently makes any false statement or representation in connection with the making of any deduction, he shall be liable to a penalty not exceeding the amount deducted.]

Textual Amendments

F1071S. 374A inserted (with application in accordance with s. 112(5) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [s. 112\(1\)](#)

F1072Words in s. 374A(4) repealed (with effect in accordance with Sch. 18 para. 17(5) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 18 para. 7](#), [Sch. 41 Pt. 5\(8\)](#), Note

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375 Interest ceasing to be relevant loan interest, etc.

- (1) ^{M59}If at any time—
 - (a) the interest on a loan ceases to be relevant loan interest; or
 - (b) a person making payments of relevant loan interest ceases to be a qualifying borrower;
 the borrower shall give notice of the fact to the lender.
- (2) Without prejudice to subsection (3) below, in relation to a payment of interest—
 - (a) which is due after the time referred to in subsection (1) above and before the date on which notice is given under that subsection, and
 - ^{F1073}(aa) as respects which any of the conditions mentioned in section 374(1) is fulfilled, and]
 - (b) from which a deduction was made as mentioned in section 369(1),
 section 369 shall have effect as if the payment were a payment of relevant loan interest made by a qualifying borrower.
- (3) Nothing in subsection (2) above ^{F1074}shall be taken as regards the borrower as entitling him to any deduction or to retain any amount deducted and, accordingly, where any amount that has been deducted exceeds the amount which ought to have been deducted], he shall be liable to make good the excess and an inspector may make such assessments as may in his judgment be required for recovering the excess.
- ^{F1075}(4) The Management Act shall apply to an assessment under subsection (3) above ^{F1076}as if it were an assessment to income tax for the year of assessment in which the deduction was made].
- (4A) If there is any unreasonable delay in the giving of a notice under subsection (1) above, the borrower shall be liable to a penalty not exceeding so much of the aggregate amount that he is liable to make good under subsection (3) above as is attributable to that delay.]
- (5) ^{M60}If, as a result of receiving a notice under subsection (1) above or otherwise, a qualifying lender has reason to believe that any interest is no longer relevant loan interest or that a borrower is no longer a qualifying borrower, the lender shall furnish the Board with such information as is in his possession with respect to those matters.
- (6) ^{M61}Where it appears to the Board that any of the provisions of sections 370 to 373 is not or may not be fulfilled with respect to any interest, or that a qualifying borrower has or may have ceased to be a qualifying borrower, they shall give notice of that fact to the lender and the borrower specifying the description of relevant loan interest concerned or, as the case may be, that the borrower has or may have ceased to be a qualifying borrower.
- (7) Section 369 shall not apply to any payment of relevant loan interest of a description to which a notice under subsection (6) above relates and which becomes due or is made after such date as may be specified in the notice and before such date as may be specified in a further notice given by the Board to the lender and the borrower.
- (8) ^{M62}In any case where—
 - (a) section 369 applies to any relevant loan interest by virtue of a notice under section 374(1)(b), and
 - (b) the relevant date specified in the notice is earlier than the date from which the interest begins to be paid under deduction of tax, and

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- (c) a payment of that interest was made on or after the relevant date but not under deduction of tax,

regulations may provide for a sum to be paid by the Board of an amount equal to that which the borrower would have been able to deduct from that payment by virtue of section 369 if it had been made after the relevant date.

[^{F1077}(8A) In any case where an amount to which a person is not entitled is paid to him by the Board in pursuance of regulations made by virtue of subsection (8) above, regulations may—

- (a) provide for an officer of the Board to make such assessments as may in his judgment be required for recovering that amount from that person; and
- (b) make provision corresponding to that made by subsection (4A) above and subsections (4) and (5) of section 374A.]

[^{F1078}(8B) Subsections (1), (5) and (6) above shall not apply where interest ceases to be relevant loan interest by virtue of section 38 of the Finance Act 1999.]

(9) ^{F1079}

(10) ^{F1079}

Textual Amendments

F1073S. 375(2)(aa) inserted (with application in accordance with s. 112(5) of the amending Act) by Finance Act 1995 (c. 4), s. 112(2)

F1074Words in s. 375(3) substituted (with effect in accordance with s. 81(6) of the amending Act) by Finance Act 1994 (c. 9), Sch. 9 para. 11

F1075S. 375(4)(4A) substituted for s. 375(4) (with application in accordance with s. 112(5) of the amending Act) by Finance Act 1995 (c. 4), s. 112(3)

F1076Words in s. 375(4) substituted (with effect in accordance with Sch. 18 para. 17(1) of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 8

F1077S. 375(8A) inserted (with application in accordance with s. 112(5) of the amending Act) by Finance Act 1995 (c. 4), s. 112(4)

F1078S. 375(8B) inserted (with effect in accordance with Sch. 4 para. 18(5) of the amending Act) by Finance Act 1999 (c. 16), Sch. 4 para. 9(1)

F1079S. 375(9)(10) repealed (with effect in accordance with Sch. 4 para. 18(1) of the repealing Act) by Finance Act 1999 (c. 16), Sch. 4 para. 9(2), Sch. 20 Pt. 3(7), Note 1

Marginal Citations

M59 Source-1982 Sch.7 8

M60 Source-1982 Sch.7 9(1)

M61 Source-1982 Sch.7 10(1), (2)

M62 Source-1982 Sch.7 11

[^{F1080}**375A Option to deduct interest for the purposes of Schedule A.**

^{F1081}

Textual Amendments

F1080S. 375A inserted (with effect in accordance with s. 39(4)(5) of the amending Act) by Finance Act 1995 (c. 4), Sch. 6 para. 18

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F1081S. 375A repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), Sch. 4 para. 10, **Sch. 20 Pt. 3(7)**

376 Qualifying borrowers and qualifying lenders.

- (1) ^{M63}Subject to subsection (2) below, an individual is a qualifying borrower with respect to the interest on any loan.
- (2) In relation to interest paid at a time when the borrower or the borrower’s husband or wife holds [^{F1082}an office or employment which would, but for some special exemption or immunity from tax, be a taxable employment under Part 2 of ITEPA 2003 (as defined by section 66(3) of that Act)], the borrower is not a qualifying borrower.
- (3) In subsection (2) above references to the borrower’s husband or wife do not include references to a separated husband or wife ^{F1083}
- (4) ^{M64}The following bodies are qualifying lenders:—
 - (a) a building society;
 - (b) a local authority;
 - (c) the Bank of England;
 - (d) ^{F1084}
 - [^{F1085}(e) a person who has permission under [^{F1086}Part 4A] of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance;]
 - (f) any company to which property and rights belonging to a trustee savings bank were transferred by section 3 of the ^{M65}Trustee Savings Bank Act 1985;
 - (g) ^{F1087}
 - (h) a development corporation within the meaning of the ^{M66}New Towns Act 1981 or the ^{M67}New Towns (Scotland) Act 1968;
 - [^{F1088}(j) the Homes and Communities Agency;]
 - [^{F1089}(ja) the Greater London Authority so far as exercising its housing or regeneration functions or its new towns and urban development functions;]
 - [^{F1090}(k) the Regulator of Social Housing,]
 - [^{F1091}(ka) the Secretary of State if the loan is made by him under section 79 of the ^{M68}Housing Associations Act 1985;]
 - (l) the Northern Ireland Housing Executive;
 - (m) the Scottish Special Housing Association;
 - (n) ^{F1092}
 - (o) the Church of England Pensions Board;
 - [^{F1093}(p) any body which is for the time being registered under section 376A.]
- [^{F1094}(4A) ^{F1095}]
- (5) ^{F1096}
- (6) ^{F1097}

Textual Amendments

F1082 Words in s. 376(2) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), **Sch. 6 para. 52** (with Sch. 7)

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- F1083** Words in s. 376(3) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by Finance Act 1999 (c. 16), Sch. 4 para. 11(a), **Sch. 20 Pt. 3(7)**
- F1084** S. 376(4)(d) repealed (26.3.2001) by The Postal Services Act 2000 (Consequential Modifications No. 1) Order 2001 (S.I. 2001/1149), arts. 1(2), 3(2), **Sch. 2**
- F1085** S. 376(4)(e) substituted (1.12.2001 in accordance with art. 1(2)(a) of the amending Order) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), **art. 23(2)(a)**
- F1086** Words in s. 376(4)(e) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), **Sch. 18 para. 58(3)** (with Sch. 20); S.I. 2013/423, art. 3, **Sch.**
- F1087** S. 376(4)(g) omitted (1.12.2001 in accordance with art. 1(2)(a) of the amending Order) by virtue of The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), **art. 23(2)(b)**
- F1088** S. 376(4)(j) substituted (1.12.2008) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), **Sch. 8 para. 42**; S.I. 2008/3068, **art. 2(1)(w)** (with arts. 6-13)
- F1089** S. 376(4)(ja) inserted (1.4.2012) by Localism Act 2011 (c. 20), s. 240(2), **Sch. 19 para. 24**; S.I. 2012/628, **art. 6(1)** (with arts. 9-20)
- F1090** S. 376(4)(k) substituted (1.4.2010) by Housing and Regeneration Act 2008 (c. 17), s. 325(1), **Sch. 9 para. 12**; S.I. 2010/862, **art. 2** (with Sch.)
- F1091** S. 376(4)(ka) substituted (1.11.1998) by Government of Wales Act 1998 (c. 38), ss. 140(2), 158(1), **Sch. 16 para. 55**; S.I. 1998/2244, **art. 5**
- F1092** S. 376(4)(n) repealed (1.10.1998) by Government of Wales Act 1998 (c. 38), ss. 152, 158(1), **Sch. 18 Pt. 4**; S.I. 1998/2244, **art. 4**
- F1093** S. 376(4)(p) substituted (1.12.2001 in accordance with art. 1(2)(a) of the amending Order) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), **art. 23(2)(c)**
- F1094** S. 376(4A) inserted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, Sch. 9 paras. 3(3), **22**; S.I. 1993/236, **art. 2**
- F1095** S. 376(4A) omitted (1.12.2001 in accordance with art. 1(2)(a) of the amending Order) by virtue of The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), **art. 23(3)**
- F1096** S. 376(5) repealed (3.5.1994) by Finance Act 1994 (c. 9), s. 142(1)(b), **Sch. 26 Pt. 5(19)**
- F1097** S. 376(6) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by Finance Act 1999 (c. 16), Sch. 4 para. 11(b), **Sch. 20 Pt. 3(7)**

Marginal Citations

- M63** Source-1982 Sch.7 13
- M64** Source-1982 Sch.7 14(1); 1983 s.17(3)
- M65** 1985 c. 50.
- M66** 1981 c.64.
- M67** 1968 c. 16.
- M68** 1985 c. 69.

[^{F1098}376A] The register of qualifying lenders.

- (1) The Board shall maintain, and publish in such manner as they consider appropriate, a register for the purposes of section 376(4).

[The following are entitled to be registered—

- ^{F1099}(1A) (a) a person who has permission under [^{F1100}Part 4A] of the Financial Services and Markets Act 2000—
- (i) to accept deposits; or
 - (ii) to effect or carry out contracts of general insurance;

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- (b) a 90 per cent subsidiary of a person mentioned in—
 - (i) section 376(4)(e); or
 - (ii) paragraph (a) above;
 - (c) any other body whose activities and objects appear to the Board to qualify it for registration.]
- (2) If the Board are satisfied that an applicant for registration is entitled to be registered, they may register the applicant generally or in relation to any description of loan specified in the register, with effect from such date as may be so specified; and a body which is so registered shall become a qualifying lender in accordance with the terms of its registration.
- (3) The registration of any body may be varied by the Board—
- (a) where it is general, by providing for it to be in relation to a specified description of loan, or
 - (b) where it is in relation to a specified description of loan, by removing or varying the reference to that description of loan,
- and where they do so, they shall give the body written notice of the variation and of the date from which it is to have effect.
- (4) If it appears to the Board at any time that a body which is registered under this section would not be entitled to be registered if it applied for registration at that time, the Board may by written notice given to the body cancel its registration with effect from such date as may be specified in the notice.
- (5) The date specified in a notice under subsection (3) or (4) above shall not be earlier than the end of the period of 30 days beginning with the date on which the notice is served.
- (6) Any body which is aggrieved by the failure of the Board to register it under this section, or by the variation or cancellation of its registration, may [^{F1101} appeal], by notice given to the Board before the end of the period of 30 days beginning with the date on which the body is notified of the Board's decision^{F1102}]

Textual Amendments

F1098S. 376A inserted (3.5.1994) by [Finance Act 1994 \(c. 9\), s. 142\(2\)](#)

F1099S. 376A(1A) inserted (1.12.2001 in accordance with art. 1(2)(a) of the amending Order) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\), art. 24](#)

F1100 Words in s. 376A(1A)(a) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\), s. 122\(3\), Sch. 18 para. 58\(4\)](#) (with Sch. 20); S.I. 2013/423, art. 3, [Sch.](#)

F1101 Word in s. 376A(6) inserted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\), art. 1\(2\), Sch. 1 para. 138\(a\)](#)

F1102 Words in s. 376A(6) omitted (1.4.2009) by virtue of [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\), art. 1\(2\), Sch. 1 para. 138\(b\)](#)

377 Variation of terms of repayment of certain loans.

^{F1103}

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Textual Amendments

F1103 S. 377 repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 12](#), [Sch. 20 Pt. 3\(7\)](#)

378 Supplementary regulations.

- M69** (1) ^{F1104}
- (2) ^{F1104}
- (3) The Board may by regulations make provision—
- (a) for the purposes of any provision of sections 369 to [^{F1105}376A] which relates to any matter or thing to be specified by or done in accordance with regulations;
 - (b) for the application of those sections in relation to loan interest paid by personal representatives and trustees;
 - (c) with respect to the furnishing of information by borrowers or lenders, including, in the case of lenders, the inspection of books, documents and other records on behalf of the Board;
 - (d) for, and with respect to, appeals to [^{F1106}the tribunal] against the refusal of the Board to issue a notice under section 374(1)(b) or the issue of a notice under section 375(6) or (7); and
 - (e) generally for giving effect to sections 369 to [^{F1105}376A].
- (4) ^{F1104}

Textual Amendments

F1104 S. 378(1)(2)(4) repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 13\(a\)](#), [Sch. 20 Pt. 3\(7\)](#)

F1105 Words in s. 378(3) substituted (with effect in accordance with Sch. 4 para. 18(5) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 13\(b\)](#)

F1106 Words in s. 378(3) substituted (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 139](#)

Marginal Citations

M69 Source-1982 s.29; 1984 s.56(2)

379

In sections 369 to 378—

[^{F1107}“contracts of general insurance” means contracts which fall within Part I of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 and “contracts of long-term insurance” means contracts which fall within Part II of that Schedule;]

“prescribed” ^{F1108} . . . means prescribed by the Board;

“qualifying borrower” has the meaning given by section 376(1) to (3);

“qualifying lender” has the meaning given by section 376(4) ^{F1109} . . . ;

“regulations” ^{F1110} . . . means regulations made by the Board under section 378;

“relevant loan interest” has the meaning given by section 370(1);

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F1111}“separated” means separated under an order of a court of competent jurisdiction or by deed of separation or in such circumstances that the separation is likely to be permanent.]

Textual Amendments

- F1107** S. 379: definition of "contracts of general insurance" inserted (1.12.2001 in accordance with art. 1(2)(a) of the amending Order) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), [art. 25](#)
- F1108** S. 379: words in definition of "prescribed" repealed (3.5.1994) by [Finance Act 1994 \(c. 9\)](#), [Sch. 26 Pt. 5\(19\)](#)
- F1109** S. 379: words in definition of "qualifying lender" repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 14\(a\)](#), [Sch. 20 Pt. 3\(7\)](#)
- F1110** S. 379: words in definition of "regulations" repealed (with effect in accordance with Sch. 4 para. 18(5), Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 14\(b\)](#), [Sch. 20 Pt. 3\(7\)](#)
- F1111** S. 379: definition of "separated" inserted (with effect in accordance with [Sch. 4 para. 18\(5\)](#) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), [Sch. 4 para. 14\(c\)](#)

PART X

LOSS RELIEF AND GROUP RELIEF

[^{F1112}CHAPTER I

LOSS RELIEF: INCOME TAX]

Textual Amendments

- F1112** Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1113}[^{F1114}Losses from [^{F1115}UK property] business or overseas property business]

Textual Amendments

- F1113** S. 379A and preceding cross-heading inserted (with effect in accordance with s. 39(4)(5) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 6 para. 19\(1\)](#)
- F1114** S. 379A cross-heading substituted (with effect in accordance with s. 38(2)(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 5 para. 26](#) (with [Sch. 5 para. 73](#))
- F1115** Words in cross-heading preceding s. 379A substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 156\(8\)](#) (with [Sch. 2](#))

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379A [F1116 **Losses from UK property business**].

F1117
.....

Textual Amendments

F1116 S. 379A sidenote substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by virtue of [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 156\(7\)](#) (with [Sch. 2](#))

F1117 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[F1118 **Losses from overseas property business.**

379B F1119
.....]]

Textual Amendments

F1118 S. 379B inserted (with effect in accordance with s. 38(2)(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 5 para. 27](#) (with [Sch. 5 para. 73](#))

F1119 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Trade etc. losses

380 **Set-off against general income.**

F1120
.....

Textual Amendments

F1120 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

381 **Further relief for individuals for losses in early years of trade.**

F1121
.....

Textual Amendments

F1121 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

382 **Provisions supplementary to sections 380 and 381.**

F1122
.....

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments
F1122 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

383 Extension of right of set-off to capital allowances.

F1123

Textual Amendments
F1123 S. 383 repealed (with effect in accordance with ss. 211(2), 218(1)(b) of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), [s. 214\(1\)\(b\)](#), [Sch. 26 Pt. 5\(24\)](#), Note 5

384 Restrictions on right of set-off.

F1124

Textual Amendments
F1124 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1125} 384A Restriction of set-off of allowances against general income

F1126]

Textual Amendments
F1125 S. 384A inserted (with effect in accordance with [s. 579\(1\)](#) of the amending Act) by [Capital Allowances Act 2001 \(c. 2\)](#), [Sch. 2 para. 30](#) (with [Sch. 3](#))
F1126 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

385 Carry-forward against subsequent profits.

F1127

Textual Amendments
F1127 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

386 Carry-forward where business transferred to a company.

F1128

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1128 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

387 Carry-forward as losses of amounts taxed under section 350.

F1129

Textual Amendments

F1129 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

388 Carry-back of terminal losses.

F1130

Textual Amendments

F1130 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

389 Supplementary provisions relating to carry-back of terminal losses.

F1131

Textual Amendments

F1131 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

390 Treatment of interest as a loss for purposes of carry-forward and carry-back.

F1132

Textual Amendments

F1132 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

391 Losses from trade etc. carried on abroad

F1133

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1133 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 73, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Case VI losses

392 Losses from miscellaneous transactions

F1134

Textual Amendments

F1134 Pt. 10 Ch. 1 (ss. 379A-392) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 73, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1135}CHAPTER II

LOSS RELIEF: CORPORATION TAX]

Textual Amendments

F1135 Pt. 10 Ch. 2 (ss. 392A-396) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 34, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1136} Losses from [^{F1137}UK property business] or overseas property business

Textual Amendments

F1136 Ss. 392A, 392B and preceding cross-heading inserted (with effect in accordance with s. 38(2)(3) of the amending Act) by [Finance Act 1998 \(c. 36\), Sch. 5 para. 28](#) (with [Sch. 5 paras. 72, 73](#))

F1137 Words in cross-heading preceding s. 392A substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 108\(8\)](#) (with [Sch. 2 Pts. 1, 2](#))

392A [^{F1138}UK property business losses]

F1139

Textual Amendments

F1138 S. 392A title substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 108\(7\)](#) (with [Sch. 2 Pts. 1, 2](#))

F1139 Pt. 10 Ch. 2 (ss. 392A-396) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 34, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

392B Losses from overseas property business.

F1140]

Textual Amendments

F1140 Pt. 10 Ch. 2 (ss. 392A-396) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 34, Sch. 3 Pt. 1](#) (with Sch. 2)

Trade etc. losses

393 Losses other than terminal losses.

F1141]

Textual Amendments

F1141 Pt. 10 Ch. 2 (ss. 392A-396) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 34, Sch. 3 Pt. 1](#) (with Sch. 2)

[^{F1142}393A Losses: set off against profits of the same, or an earlier, accounting period.

F1143]

Textual Amendments

F1142 S. 393A inserted by [Finance Act 1991 \(c. 31\), s. 73\(1\)\(4\)\(5\)](#)

F1143 Pt. 10 Ch. 2 (ss. 392A-396) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 34, Sch. 3 Pt. 1](#) (with Sch. 2)

[^{F1144}393B Losses of ring fence trade: set off against profits of an earlier accounting period

F1145]

Textual Amendments

F1144 S. 393B inserted (with effect in accordance with s. 111(3) of the amending Act) by [Finance Act 2008 \(c. 9\), s. 111\(1\)](#)

F1145 Pt. 10 Ch. 2 (ss. 392A-396) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 34, Sch. 3 Pt. 1](#) (with Sch. 2)

^{F1146}394 Terminal losses.

.....]

Textual Amendments

F1146 S. 394 repealed by [Finance Act 1991 \(c. 31\), ss. 73\(2\)\(4\)\(5\), 123, Sch. 19 Pt. V](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

395 Leasing contracts and company reconstructions.

F1147

Textual Amendments

F1147 Pt. 10 Ch. 2 (ss. 392A-396) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 34, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Case VI losses

396 [^{F1148}Losses from miscellaneous transactions]

F1149

Textual Amendments

F1148 S. 396 title substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 112\(5\)](#) (with [Sch. 2 Pts. 1, 2](#))

F1149 Pt. 10 Ch. 2 (ss. 392A-396) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 34, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

CHAPTER III

LOSS RELIEF: MISCELLANEOUS PROVISIONS

397 Restriction of relief in case of farming and market gardening.

F1150

Textual Amendments

F1150 S. 397 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 35, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

398 Transactions in deposits with and without certificates or in debts.

^{M70}Where [^{F1151}a company] sustains a loss on the exercise or disposal of a right to receive any amount, being a right to which section 56(2) ^{F1152} . . . applies, in a case where—

- (a) if a profit had arisen from that exercise or disposal, that profit would have been chargeable to [^{F1153}corporation] tax by virtue of section 56(2) ^{F1154} . . . , and
- (b) [^{F1155}the company is chargeable to corporation tax under [^{F1156}Part 5 of CTA 2009 (loan relationships)] in respect of interest payable on that amount,

then the amount of that interest shall be included in the amounts against which [^{F1157}the amount of its loss may be set off under [^{F1158}section 91 of CTA 2010].]

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Textual Amendments

- F1151** Words in s. 398 substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 75\(2\)](#) (with [Sch. 2](#))
- F1152** Words in s. 398 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 75\(3\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F1153** Words in s. 398(a) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 75\(4\)\(a\)](#) (with [Sch. 2](#))
- F1154** Words in s. 398(a) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 75\(4\)\(b\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))
- F1155** Words in s. 398(b) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 75\(5\)](#) (with [Sch. 2](#))
- F1156** Words in s. 398(b) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 114](#) (with [Sch. 2 Pts. 1, 2](#))
- F1157** Words in s. 398 substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 75\(6\)](#) (with [Sch. 2](#))
- F1158** Words in s. 398 substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 36](#) (with [Sch. 2](#))

Marginal Citations

- M70** Source—1973 s.26(2); 1974 s.30(2)

399 Dealings in commodity futures etc: withdrawal of loss relief.

F1159

Textual Amendments

- F1159** S. 399 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 37](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

400 Write-off of government investment.

F1160

Textual Amendments

- F1160** S. 400 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 38](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

401 Relief for pre-trading expenditure.

F1161

Textual Amendments

- F1161** S. 401 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 117](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

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[^{F1162}CHAPTER IV

GROUP RELIEF]

Textual Amendments

F1162 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 39](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

402 Surrender of relief between members of groups and consortia.

^{F1163}

Textual Amendments

F1163 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 39](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

403 Losses etc. which may be surrendered by way of group relief.

^{F1164}

Textual Amendments

F1164 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 39](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1165}403ZA] Amounts eligible for group relief: trading losses.

^{F1166}

Textual Amendments

F1165 Ss. 403-403ZE substituted for s. 403 (with effect in accordance with s. 38(2)(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 5 para. 29](#) (with [Sch. 5 para. 73](#))
F1166 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 39](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

403ZB Amounts eligible for group relief: excess capital allowances.

^{F1167}

Textual Amendments

F1165 Ss. 403-403ZE substituted for s. 403 (with effect in accordance with s. 38(2)(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 5 para. 29](#) (with [Sch. 5 para. 73](#))
F1167 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 39](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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403ZC Amounts eligible for group relief: non-trading deficit on loan relationships.

F1168

Textual Amendments

F1165 Ss. 403-403ZE substituted for s. 403 (with effect in accordance with s. 38(2)(3) of the amending Act) by Finance Act 1998 (c. 36), Sch. 5 para. 29 (with Sch. 5 para. 73)

F1168 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 39, Sch. 3 Pt. 1 (with Sch. 2)

403ZD Other amounts available by way of group relief.

F1169

Textual Amendments

F1165 Ss. 403-403ZE substituted for s. 403 (with effect in accordance with s. 38(2)(3) of the amending Act) by Finance Act 1998 (c. 36), Sch. 5 para. 29 (with Sch. 5 para. 73)

F1169 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 39, Sch. 3 Pt. 1 (with Sch. 2)

403ZE Computation of gross profits.

F1170]

Textual Amendments

F1165 Ss. 403-403ZE substituted for s. 403 (with effect in accordance with s. 38(2)(3) of the amending Act) by Finance Act 1998 (c. 36), Sch. 5 para. 29 (with Sch. 5 para. 73)

F1170 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 39, Sch. 3 Pt. 1 (with Sch. 2)

[^{F1171}403A Limits on group relief.

F1172

Textual Amendments

F1171 Ss. 403A-403C inserted (with effect in accordance with Sch. 7 para. 9 of the amending Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 7 para. 2

F1172 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 39, Sch. 3 Pt. 1 (with Sch. 2)

403B Apportionments under section 403A.

F1173

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Textual Amendments

F1171 Ss. 403A-403C inserted (with effect in accordance with [Sch. 7 para. 9](#) of the amending Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), [Sch. 7 para. 2](#)

F1173 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 39](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

403C Amount of relief in consortium cases.

F1174]

Textual Amendments

F1171 Ss. 403A-403C inserted (with effect in accordance with [Sch. 7 para. 9](#) of the amending Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), [Sch. 7 para. 2](#)

F1174 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 39](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1175} **403D**^{F1176} Relief for or in respect of UK losses of non-resident companies]

F1177

Textual Amendments

F1175 Ss. 403D, 403E inserted (with effect in accordance with [Sch. 27 para. 6\(1\)\(2\)\(4\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 27 para. 4](#)

F1176 S. 403D title substituted (with effect in accordance with [Sch. 1 para. 9](#) of the amending Act) by virtue of [Finance Act 2006 \(c. 25\)](#), [Sch. 1 para. 3\(4\)](#)

F1177 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 39](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

403E Relief for overseas losses of UK resident companies.

F1178]

Textual Amendments

F1175 Ss. 403D, 403E inserted (with effect in accordance with [Sch. 27 para. 6\(1\)\(2\)\(4\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 27 para. 4](#)

F1178 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 39](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1179} **403E** Relief in respect of overseas losses of non-resident companies]

F1180]

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1179 S. 403F inserted (with effect in accordance with Sch. 1 para. 9 of the amending Act) by Finance Act 2006 (c. 25), Sch. 1 para. 4(1)

F1180 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 39, Sch. 3 Pt. 1 (with Sch. 2)

[^{F1181} **403** **Disallowable overseas losses of non-resident companies**

^{F1182}]

Textual Amendments

F1181 S. 403G inserted (with effect in accordance with Sch. 1 para. 9 of the amending Act) by Finance Act 2006 (c. 25), Sch. 1 para. 4(2)

F1182 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 39, Sch. 3 Pt. 1 (with Sch. 2)

404 **Limitation of group relief in relation to certain dual resident companies.**

^{F1183}

Textual Amendments

F1183 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 39, Sch. 3 Pt. 1 (with Sch. 2)

405 **Claims relating to losses etc. of members of both group and consortium.**

^{F1184}

Textual Amendments

F1184 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 39, Sch. 3 Pt. 1 (with Sch. 2)

406 **Claims relating to losses etc. of consortium company or group member.**

^{F1185}

Textual Amendments

F1185 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 39, Sch. 3 Pt. 1 (with Sch. 2)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

407 Relationship between group relief and other relief.

F1186

Textual Amendments

F1186 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 39, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

408 Corresponding accounting periods.

F1187

Textual Amendments

F1187 Ss. 408, 409 repealed (with effect in accordance with Sch. 7 para. 9, Sch. Pt. 2(14) Note of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\), Sch. 7 para. 6, Sch. 8 Pt. 2\(14\)](#)

409 Companies joining or leaving group or consortium.

F1188

Textual Amendments

F1188 Ss. 408, 409 repealed (with effect in accordance with Sch. 7 para. 9, Sch. Pt. 2(14) Note of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\), Sch. 7 para. 6, Sch. 8 Pt. 2\(14\)](#)

410 Arrangements for transfer of company to another group or consortium.

F1189

Textual Amendments

F1189 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 39, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

411 Exclusion of double allowances.

F1190

Textual Amendments

F1190 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 39, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[^{F1191}~~411ZA~~ **No relief where deduction of relevant return under alternative finance arrangements disallowed**

F1192]

Textual Amendments

F1191 S. 411ZA inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 124** (with **Sch. 2 Pts. 1, 2**)

F1192 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 39, Sch. 3 Pt. 1** (with **Sch. 2**)

[^{F1193}~~411A~~ **Group relief by way of substitution for loss relief.**

F1194]

Textual Amendments

F1193 S. 411A inserted (with effect in accordance with s. 101(2) of the amending Act) by Finance Act 1990 (c. 29), **s. 101(1)**

F1194 S. 411A repealed (with effect in accordance with s. 93(2) of the repealing Act) by Finance Act 1999 (c. 16), **Sch. 11 para. 1, Sch. 20 Pt. 3(21)**, Note

412 Claims and adjustments.

F1195

Textual Amendments

F1195 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 39, Sch. 3 Pt. 1** (with **Sch. 2**)

413 Interpretation of Chapter IV.

F1196

Textual Amendments

F1196 Pt. 10 Ch. 4 (ss. 402-413) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 39, Sch. 3 Pt. 1** (with **Sch. 2**)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

PART XI

CLOSE COMPANIES

[^{F1197}CHAPTER I

INTERPRETATIVE PROVISIONS]

Textual Amendments

F1197 Pt. 11 Ch. 1 (ss. 414-418) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 40](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

414 Close companies.

F1198

Textual Amendments

F1198 Pt. 11 Ch. 1 (ss. 414-418) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 40](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

415 Certain quoted companies not to be close companies.

F1199

Textual Amendments

F1199 Pt. 11 Ch. 1 (ss. 414-418) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 40](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

416 Meaning of “associated company” and “control”.

F1200

Textual Amendments

F1200 Pt. 11 Ch. 1 (ss. 414-418) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 40](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

417 Meaning of “participator”, “associate”, “director” and “loan creditor”.

F1201

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1201Pt. 11 Ch. 1 (ss. 414-418) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 40, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Additional matters to be treated as distributions

418 “Distribution” to include certain expenses of close companies.

F1202
.....

Textual Amendments

F1202Pt. 11 Ch. 1 (ss. 414-418) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 40, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1203}CHAPTER II

CHARGES TO TAX IN CONNECTION WITH LOANS]

Textual Amendments

F1203Pt. 11 Ch. 2 (ss. 419-422) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 41, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

419 Loans to participators etc.

F1204
.....

Textual Amendments

F1204Pt. 11 Ch. 2 (ss. 419-422) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 41, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

420 Exceptions from section 419.

F1205
.....

Textual Amendments

F1205Pt. 11 Ch. 2 (ss. 419-422) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 41, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

421 Taxation of borrower when loan under section 419 released etc

F1206
.....

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F1206Pt. 11 Ch. 2 (ss. 419-422) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 41, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

422 Extension of section 419 to loans by companies controlled by close companies.

F1207

Textual Amendments

F1207Pt. 11 Ch. 2 (ss. 419-422) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 41, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1208}CHAPTER III

APPORTIONMENT OF UNDISTRIBUTED INCOME ETC.]

Textual Amendments

F1208Pt. 11 Ch. 3 (ss. 423-430) repealed (with effect in accordance with s. 103(1) of the repealing Act) by [Finance Act 1989 \(c. 4\), Sch. 17 Pt. 5](#), Note 4 (with s. 103(2))

^{F1209}423 Apportionment of certain income, deductions and interest.

.....

Textual Amendments

F1209Pt. 11 Ch. 3 (ss. 423-430) repealed (with effect in accordance with s. 103(1) of the repealing Act) by [Finance Act 1989 \(c. 4\), Sch. 17 Pt. 5](#), Note 4 (with s. 103(2))

^{F1210}424 Exclusions from section 423.

.....

Textual Amendments

F1210Pt. 11 Ch. 3 (ss. 423-430) repealed (with effect in accordance with s. 103(1) of the repealing Act) by [Finance Act 1989 \(c. 4\), Sch. 17 Pt. 5](#), Note 4 (with s. 103(2))

^{F1211}425 Manner of apportionment.

.....

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1211 Pt. 11 Ch. 3 (ss. 423-430) repealed (with effect in accordance with s. 103(1) of the repealing Act) by Finance Act 1989 (c. 4), **Sch. 17 Pt. 5**, Note 4 (with s. 103(2))

F1212 426 Charge to income tax where apportionment is to an individual.

.....

Textual Amendments

F1212 Pt. 11 Ch. 3 (ss. 423-430) repealed (with effect in accordance with s. 103(1) of the repealing Act) by Finance Act 1989 (c. 4), **Sch. 17 Pt. 5**, Note 4 (with s. 103(2))

F1213 427 Reduction of charge under section 426 in certain cases.

.....

Textual Amendments

F1213 Pt. 11 Ch. 3 (ss. 423-430) repealed (with effect in accordance with s. 103(1) of the repealing Act) by Finance Act 1989 (c. 4), **Sch. 17 Pt. 5**, Note 4 (with s. 103(2))

F1214 428 Increase of apportioned sum etc. by reference to ACT.

.....

Textual Amendments

F1214 Pt. 11 Ch. 3 (ss. 423-430) repealed (with effect in accordance with s. 103(1) of the repealing Act) by Finance Act 1989 (c. 4), **Sch. 17 Pt. 5**, Note 4 (with s. 103(2))

F1215 429 Payment and collection of income tax.

.....

Textual Amendments

F1215 Pt. 11 Ch. 3 (ss. 423-430) repealed (with effect in accordance with s. 103(1) of the repealing Act) by Finance Act 1989 (c. 4), **Sch. 17 Pt. 5**, Note 4 (with s. 103(2))

F1216 430 Consequences of apportionment: ACT.

.....

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments
F1216Pt. 11 Ch. 3 (ss. 423-430) repealed (with effect in accordance with s. 103(1) of the repealing Act) by Finance Act 1989 (c. 4), **Sch. 17 Pt. 5**, Note 4 (with s. 103(2))

PART XII
 SPECIAL CLASSES OF COMPANIES AND BUSINESSES

CHAPTER I
 INSURANCE COMPANIES, UNDERWRITERS
 AND CAPITAL REDEMPTION BUSINESS

Insurance companies: general

431 Interpretative provisions relating to insurance companies.

F1217

Textual Amendments
F1217S. 431 omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 11** (with Sch. 17) (subject to an amendment (1.4.2013) by Financial Services Act 2012 (c. 21), **s. 58(5)**; S.I. 2013/423, art. 3, **Sch.**)

[^{F1218}431ZA] Election that assets not be foreign business assets

F1219]

Textual Amendments
F1218S. 431ZA inserted (with effect in accordance with Sch. 17 para. 10(6)(7) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 17 para. 10(2)**
F1219S. 431ZA omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 12** (with Sch. 17)

[^{F1220}431A] Amendment of Chapter etc

F1221]

Textual Amendments
F1220S. 431A inserted (1.1.1990) by Finance Act 1990 (c. 29), Sch. 6 paras. 2, **11(2)** (with Sch. 6 para. 12)
F1221S. 431A omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 13** (with Sch. 17)

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[^{F1222} **431A Relevant benefits for purposes of section 431(4)(d) and (e).**

F1223]

Textual Amendments

F1222S. 431AA inserted (with application in accordance with s. 143(5) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), **s. 143(4)**

F1223S. 431AA repealed (with effect in accordance with Sch. 8 para. 57 of the repealing Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 29 Pt. 8(5)**, Note 2

[^{F1224} *Classes of life assurance business*]

Textual Amendments

F1224Ss. 431B-431F and cross-heading inserted (with effect in accordance with Sch. 8 paras. 55, 57 of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 2**

[^{F1225} **431B Meaning of “pension business”.**

F1226]

Textual Amendments

F1225Ss. 431B-431F and cross-heading inserted (with effect in accordance with Sch. 8 paras. 55, 57 of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 2**

F1226S. 431B omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 14** (with Sch. 17)

[^{F1227} **Meaning of “child trust fund business”**

^{F1228} **431BA**]

Textual Amendments

F1225Ss. 431B-431F and cross-heading inserted (with effect in accordance with Sch. 8 paras. 55, 57 of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 2**

F1227Ss. 431BA, 431BB inserted (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), **Sch. 7 para. 8** (with Sch. 7 Pt. 2)

F1228S. 431BA omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 15** (with Sch. 17)

431BB Meaning of “individual savings account business”

F1229]

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Textual Amendments

- F1225**Ss. 431B-431F and cross-heading inserted (with effect in accordance with Sch. 8 paras. 55, 57 of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 2**
- F1227**Ss. 431BA, 431BB inserted (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), **Sch. 7 para. 8** (with [Sch. 7 Pt. 2](#))
- F1229**S. 431BB omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 16** (with [Sch. 17](#))

431C Meaning of “life reinsurance business”.

F1230

Textual Amendments

- F1225**Ss. 431B-431F and cross-heading inserted (with effect in accordance with Sch. 8 paras. 55, 57 of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 2**
- F1230**S. 431C omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 17** (with [Sch. 17](#))

431D Meaning of “overseas life assurance business”.

F1231

Textual Amendments

- F1225**Ss. 431B-431F and cross-heading inserted (with effect in accordance with Sch. 8 paras. 55, 57 of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 2**
- F1231**Ss. 431D, 431E omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 18** (with [Sch. 17](#))

431E Overseas life assurance business: regulations.

F1232

Textual Amendments

- F1225**Ss. 431B-431F and cross-heading inserted (with effect in accordance with Sch. 8 paras. 55, 57 of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 2**
- F1232**Ss. 431D, 431E omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 18** (with [Sch. 17](#))

[**F1233** **431EA** **F1234** **Meaning of “gross roll-up business”** **]**

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Textual Amendments

- F1225**Ss. 431B-431F and cross-heading inserted (with effect in accordance with Sch. 8 paras. 55, 57 of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 2**
- F1233**S. 431EA inserted (with effect in accordance with s. 38(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), **Sch. 7 para. 10** (with Sch. 7 Pt. 2)
- F1234**S. 431EA omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 19** (with Sch. 17)

431F Meaning of “basic life assurance and general annuity business”.

F1235]

Textual Amendments

- F1225**Ss. 431B-431F and cross-heading inserted (with effect in accordance with Sch. 8 paras. 55, 57 of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 2**
- F1235**S. 431F omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 20** (with Sch. 17)

[^{F1236}[^{F1237}Basis of taxation etc]]

Textual Amendments

- F1236**Cross-heading before s. 432 inserted (with effect in accordance with Sch. 8 para. 57(1) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 51(2)** (with Sch. 8 para. 55(2))
- F1237**Ss. 431G, 431H and preceding cross-heading substituted for s. 432 and preceding cross-heading (with effect in accordance with s. 39(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), **Sch. 8 para. 4** (with Sch. 8 Pt. 2)

[^{F1238}431G Company carrying on life assurance business

F1239]

Textual Amendments

- F1238**Ss. 431G, 431H and preceding cross-heading substituted for s. 432 and preceding cross-heading (with effect in accordance with s. 39(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), **Sch. 8 para. 4** (with Sch. 8 Pt. 2)
- F1239**S. 431G omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 21** (with Sch. 17)

[^{F1240}431H Company carrying on life assurance business and other insurance business

F1241]

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Textual Amendments

- F1240**Ss. 431G, 431H and preceding cross-heading substituted for s. 432 and preceding cross-heading (with effect in accordance with s. 39(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 8 para. 4](#) (with [Sch. 8 Pt. 2](#))
- F1241**S. 431H omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 22](#) (with [Sch. 17](#))

[^{F1245}**432YA**^{F1246} **PHI business] other than life assurance business — adjustment consequent on change in Insurance Prudential Sourcebook**

^{F1247}]

Textual Amendments

- F1245**S. 432YA inserted (8.1.2007 with effect in accordance with art. 1(2) of the amending S.I.) by [The Insurance Companies \(Corporation Tax Acts\) \(Amendment No. 2\) Order 2006 \(S.I. 2006/3387\)](#), [arts. 1\(1\), 2](#)
- F1246**Words in s. 432YA heading substituted (27.12.2008 with effect in accordance with art. 1(2) of the amending S.I.) by [The Insurance Companies \(Corporation Tax Acts\) \(Amendment\) \(No. 2\) Order 2008 \(S.I. 2008/3096\)](#), [arts. 1\(1\), 2\(4\)](#)
- F1247**S. 431YA omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 23](#) (with [Sch. 17](#))

[^{F1248}**432ZA**~~Linked assets.~~

^{F1249}]

Textual Amendments

- F1248**S. 432ZA inserted (with effect in accordance with [Sch. 8 para. 57\(1\)](#) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 8 para. 11\(2\)](#) (with [Sch. 8 para. 55\(2\)](#))
- F1249**S. 431ZA omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 24](#) (with [Sch. 17](#))

[^{F1250}**432A****Apportionment of income and gains.**

^{F1251}]

Textual Amendments

- F1250**Ss. 432A-432E inserted by [Finance Act 1990 \(c. 29\)](#), [Sch. 6 para. 4](#)
- F1251**S. 432A omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 25](#) (with [Sch. 17](#))

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[^{F1252}~~432A~~^{F1253} **UK property business or overseas property business**]

^{F1254}]

Textual Amendments

- F1252**Ss. 432AA, 432AB inserted (with effect in accordance with s. 38(2)(3) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 5 para 39** (with Sch. 5 para. 73)
- F1253**S. 432AA title substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 131(3)** (with Sch. 2 Pts. 1, 2)
- F1254**S. 432AA omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 26** (with Sch. 17)

432AB Losses from [^{F1255}UK property business] or overseas property business.

^{F1256}]

Textual Amendments

- F1252**Ss. 432AA, 432AB inserted (with effect in accordance with s. 38(2)(3) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 5 para 39** (with Sch. 5 para. 73)
- F1255**Words in s. 432AB title substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 132(4)** (with Sch. 2 Pts. 1, 2)
- F1256**S. 432AB omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 27** (with Sch. 17)

[^{F1257}~~432B~~ **Apportionment of receipts brought into account.**

^{F1258}]

Textual Amendments

- F1257**Ss. 432A-432E inserted by Finance Act 1990 (c. 29), **Sch. 6 para. 4**
- F1258**Ss. 432B-432G omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 28** (with Sch. 17)

[^{F1259}~~432C~~ **Section 432B apportionment: non-participating funds**

^{F1260}]

Textual Amendments

- F1259**Ss. 432A-432E inserted by Finance Act 1990 (c. 29), **Sch. 6 para. 4**
- F1260**Ss. 432B-432G omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 28** (with Sch. 17)

[^{F1261}~~432CA~~ **Apportionment of asset value increase where line 51 amount decreases**

^{F1262}]

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Textual Amendments

F1261S. 432CA inserted (with effect in accordance with s. 47(2)-(4) of the amending Act) by [Finance Act 2010 \(c. 13\)](#), [s. 47\(1\)](#)

F1262Ss. 432B-432G omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 28](#) (with [Sch. 17](#))

[^{F1263} **432CB** Transfers of business involving excess assets

F1264]

Textual Amendments

F1263S. 432CB inserted (with effect in accordance with s. 9(2) of the amending Act) by [Finance \(No. 2\) Act 2010 \(c. 31\)](#), [s. 9\(1\)](#)

F1264Ss. 432B-432G omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 28](#) (with [Sch. 17](#))

[^{F1265} **432B** Section 432B apportionment: value of non-participating funds.

F1266]

Textual Amendments

F1265Ss. 432A-432E inserted by [Finance Act 1990 \(c. 29\)](#), [Sch. 6 para. 4](#)

F1266S. 432D repealed (with effect in accordance with s. 38(2) of the repealing Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 18](#), [Sch. 27 Pt. 2\(7\)](#), Note (with [Sch. 7 Pt. 2](#))

[^{F1267} **432B** Section 432B apportionment: participating funds.

F1268]

Textual Amendments

F1267Ss. 432A-432E inserted by [Finance Act 1990 \(c. 29\)](#), [Sch. 6 para. 4](#)

F1268Ss. 432B-432G omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 28](#) (with [Sch. 17](#))

[^{F1269} **432B** Section 432B apportionment: supplementary provisions.

F1270]

Textual Amendments

F1269S. 432F inserted (with effect in accordance with [Sch. 8 para. 53](#) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 8 para. 17\(3\)](#) (with [Sch. 8 para. 55\(2\)](#))

F1270Ss. 432B-432G omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 28](#) (with [Sch. 17](#))

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[^{F1271}**432**Section 432B apportionment: business transfers-in

F1272]

Textual Amendments

F1271S. 432G inserted (1.1.2005 with effect in accordance with art. 1 of the amending S.I.) by [The Insurance Companies \(Corporation Tax Acts\) Order 2004 \(S.I. 2004/3266\)](#), **art. 4**

F1272Ss. 432B-432G omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 28** (with Sch. 17)

^{F1273}**433 Profits reserved for policy holders and annuitants.**

.....

Textual Amendments

F1273S. 433 repealed (14.3.1989) by [Finance Act 1989 \(c. 26\)](#), s. 84(5), **Sch. 8 para. 2**, **Sch. 17 Pt. IV**, Note 3 (with s. 84(6))

[^{F1274}Miscellaneous provisions relating to life assurance business]

Textual Amendments

F1274Cross-heading before s. 434 inserted (with effect in accordance with **Sch. 8 para. 57(1)** of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 8 para. 51(4)** (with Sch. 8 para. 55(2))

434 Franked investment income etc.

F1275]

Textual Amendments

F1275S. 434 omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 29** (with Sch. 17)

[^{F1276}**434**Computation of losses and limitation on relief.

F1277]

Textual Amendments

F1276S. 434A inserted by [Finance Act 1989 \(c. 26\)](#), s. 84(4)-(6), **Sch. 8 para. 4**

F1277S. 434A omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 30** (with Sch. 17)

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[^{F1278} **434AZA** **Advanced loss relief for additions to non-profit funds**

F1279

Textual Amendments

F1278Ss. 434AZA-434AZC inserted (with effect in accordance with [Sch. 23 para. 3\(2\)](#) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 23 para. 3\(1\)](#)

F1279Ss. 434AZA-434AZC omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 31](#) (with [Sch. 17](#))

434AZB **Additions to non-profit funds: amount of loss reduction**

F1280

Textual Amendments

F1278Ss. 434AZA-434AZC inserted (with effect in accordance with [Sch. 23 para. 3\(2\)](#) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 23 para. 3\(1\)](#)

F1280Ss. 434AZA-434AZC omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 31](#) (with [Sch. 17](#))

434AZC **Sections 434AZA and 434AZB: supplementary**

F1281]

Textual Amendments

F1278Ss. 434AZA-434AZC inserted (with effect in accordance with [Sch. 23 para. 3\(2\)](#) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 23 para. 3\(1\)](#)

F1281Ss. 434AZA-434AZC omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 31](#) (with [Sch. 17](#))

[^{F1282} **434B** **Treatment of interest and annuities.**

(1) ^{F1283}

(2) ^{F1284}]

Textual Amendments

F1282S. 434B inserted (with effect in accordance with [Sch. 8 para. 57\(1\)](#) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 8 para. 21\(1\)](#) (with [Sch. 8 para. 55\(2\)](#))

F1283S. 434B(1) repealed (with effect in accordance with s. 165(4)(5) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), s. 165(3), [Sch. 41 Pt 5\(25\)](#), Note (with [Sch. 14 para. 24](#))

F1284S. 434B(2) repealed (with effect in accordance with s. 67(7), [Sch. 18 Pt. 6\(6\)](#) Note of the repealing Act) by [Finance Act 1997 \(c. 16\)](#), s. 67(4), [Sch. 18 Pt. 6\(6\)](#)

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[^{F1285} **434C** Interest on repayment of advance corporation tax.

F1286
.....]

Textual Amendments

- F1285S.** 434C inserted (with effect in accordance with Sch. 8 paras. 54, 57(1) of the amending Act) by Finance Act 1995 (c. 4), **Sch. 8 para. 22** (with Sch. 8 para. 55(2))
- F1286S.** 434C repealed (with effect in accordance with Sch. 3 para. 26(2) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 26(1), **Sch. 27 Pt. 3(2)**, Note

[^{F1287} **434D** Capital allowances: management assets.

F1288
.....]

Textual Amendments

- F1287Ss.** 434D, 434E inserted (with effect in accordance with Sch. 8 para. 57(1) of the amending Act) by Finance Act 1995 (c. 4), **Sch. 8 para. 23(1)** (with Sch. 8 para. 55(2))
- F1288S.** 434D repealed (with effect in accordance with s. 579 of the repealing Act) by Capital Allowances Act 2001 (c. 2), Sch. 2 para. 39, **Sch. 4**

434E Capital allowances: investment assets.

F1289
.....]

Textual Amendments

- F1287Ss.** 434D, 434E inserted (with effect in accordance with Sch. 8 para. 57(1) of the amending Act) by Finance Act 1995 (c. 4), **Sch. 8 para. 23(1)** (with Sch. 8 para. 55(2))
- F1289S.** 434E repealed (with effect in accordance with s. 579 of the repealing Act) by Capital Allowances Act 2001 (c. 2), Sch. 2 para. 39, **Sch. 4**

[^{F1290} **435** Taxation of gains reserved for policy holders and annuitants.

.....]

Textual Amendments

- F1290S.** 435 repealed (with effect in accordance with s. 84(5)(b) of the repealing Act) by Finance Act 1989 (c. 26), s. 84(4), Sch. 8 para. 5, **Sch. 17 Pt. IV**, Note 3 (with s. 84(6))

436 [^{F1291} Pension business]: separate charge on profits.

F1292
.....]

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Textual Amendments

F1291 Words in s. 436 sidenote substituted (with effect in accordance with [Sch. 8 para. 57\(1\)](#) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 8 para. 51\(5\)](#) (with [Sch. 8 para. 55\(2\)](#))

F1292 S. 436 repealed (with effect in accordance with s. 38(2) of the repealing Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 24](#), [Sch. 27 Pt. 2\(7\)](#), Note (with [Sch. 7 Pt. 2](#))

[^{F1293} **436** Gross roll-up business: separate charge on profits

F1294

Textual Amendments

F1293 Ss. 436A, 436B inserted (with effect in accordance with [s. 38\(2\)](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 25](#) (with [Sch. 7 Pt. 2](#))

F1294 S. 436A omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 32](#) (with [Sch. 17](#))

436B Gains referable to gross roll-up business not to be chargeable gains

F1295

Textual Amendments

F1293 Ss. 436A, 436B inserted (with effect in accordance with [s. 38\(2\)](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 25](#) (with [Sch. 7 Pt. 2](#))

F1295 S. 436B omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 33](#) (with [Sch. 17](#))

437 General annuity business.

F1296

Textual Amendments

F1296 Ss. 437, 437A omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 34](#) (with [Sch. 17](#))

[^{F1297} **437** Meaning of “steep-reduction annuity” etc.

F1298

Textual Amendments

F1297 S. 437A inserted (with effect in accordance with [s. 67\(8\)](#) of the amending Act) by [Finance Act 1997 \(c. 16\)](#), [s. 67\(3\)](#)

F1298 Ss. 437, 437A omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 34](#) (with [Sch. 17](#))

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438 Pension business: exemption from tax.

F1299

Textual Amendments

F1299S. 438 omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 35](#) (with [Sch. 17](#))

[^{F1300}**438A Pension business: payments on account of tax credits and deducted tax.**

F1301]

Textual Amendments

F1300S. 438A inserted (2.10.1992) by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), [s. 49\(1\)](#); S.I. 1992/1746, [art.2](#)
F1301S. 438A repealed (with effect in accordance with s. 87(2)(5) of the repealing Act) by [Finance Act 2001 \(c. 9\)](#), [s. 87\(1\)](#), [Sch. 33 Pt. 2\(12\)](#)

[^{F1302}**438B Income or gains arising from property investment LLP**

F1303

Textual Amendments

F1302Ss. 438B, 438C inserted (6.4.2001) by [Finance Act 2001 \(c. 9\)](#), [s. 76](#), [Sch. 25 para. 5](#)
F1303S. 438B repealed (with effect in accordance with s. 38(2) of the repealing Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 27](#), [Sch. 27 Pt. 2\(7\)](#), Note (with [Sch. 7 Pt. 2](#))

438C Determination of policy holders' share for purposes of s.438B

F1304

Textual Amendments

F1302Ss. 438B, 438C inserted (6.4.2001) by [Finance Act 2001 \(c. 9\)](#), [s. 76](#), [Sch. 25 para. 5](#)
F1304S. 438C repealed (with effect in accordance with s. 38(2) of the repealing Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 28](#), [Sch. 27 Pt. 2\(7\)](#), Note (with [Sch. 7 Pt. 2](#))

439 Restricted government securities.

F1305

Textual Amendments

F1305S. 439 repealed (with effect in accordance with s. 38(2) of the repealing Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 29](#), [Sch. 27 Pt. 2\(7\)](#), Note (with [Sch. 7 Pt. 2](#))

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[^{F1306} **439A Taxation of pure reinsurance business.**

F1307]

Textual Amendments

F1306S. 439A inserted (with effect in accordance with [Sch. 8 para. 57\(1\)](#) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 8 para. 26](#) (with [Sch. 8 para. 55\(2\)](#))

F1307S. 439A repealed (with effect in accordance with s. 39(2) of the repealing Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 8 para. 7](#), [Sch. 27 Pt. 2\(8\)](#), Note (with [Sch. 8 Pt. 2](#))

[^{F1308} **439B Life reinsurance business: separate charge on profits.**

F1309]

Textual Amendments

F1308S. 439B inserted (with effect in accordance with [Sch. 8 para. 57\(1\)](#) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 8 para. 27\(1\)](#) (with [Sch. 8 para. 55\(2\)](#))

F1309S. 439B repealed (with effect in accordance with s. 38(2) of the repealing Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 30](#), [Sch. 27 Pt. 2\(7\)](#), Note (with [Sch. 7 Pt. 2](#))

440 Transfers of assets etc.

F1310]

Textual Amendments

F1310S. 440 omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 36](#) (with [Sch. 17](#))

[^{F1311} **440A Securities.**

F1312]

Textual Amendments

F1311Ss. 440, 440A substituted for s. 440 (1.1.1990) by [Finance Act 1990 \(c. 29\)](#), [Sch. 6 paras. 8, 11\(2\)](#) (with [Sch. 6 para. 12](#))

F1312S. 440A omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 37](#) (with [Sch. 17](#))

[^{F1313} **440B Modifications where tax charged under** [^{F1314} **section 35 of CTA 2009**].

F1315]

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Textual Amendments

- F1313**S. 440B inserted (with effect in accordance with Sch. 8 para. 57(1) of the amending Act) by Finance Act 1995 (c. 4), **Sch. 8 para. 28(1)** (with Sch. 8 para. 55(2))
- F1314**Words in s. 440B title substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 138(5)** (with Sch. 2 Pts. 1, 2)
- F1315**S. 440B omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 38** (with Sch. 17)

[^{F1316}**440C Modifications for change of tax basis**

F1317]

Textual Amendments

- F1316**S. 440C inserted (with effect in accordance with s. 39(2) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 8 para. 9** (with Sch. 8 Pt. 2)
- F1317**S. 440C omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 39** (with Sch. 17)

[^{F1318}**440D Modifications in relation to BLAGAB group reinsurers**

F1319]

Textual Amendments

- F1318**S. 440D inserted (27.12.2007 with effect in accordance with art. 1(2) of the amending S.I.) by The Insurance Companies (Taxation of Reinsurance Business) (Corporation Tax Acts) (Amendment) Order 2007 (S.I. 2007/3430), **art. 3(2)**
- F1319**S. 440D omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 40** (with Sch. 17)

441 Overseas life assurance business.

F1320

Textual Amendments

- F1320**S. 441 repealed (with effect in accordance with s. 38(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 7 para. 34, **Sch. 27 Pt. 2(7)**, Note (with Sch. 7 Pt. 2)

[^{F1321}**441A Section 441: distributions.**

- (1) ^{F1322}
- (2) ^{F1323}
- [^{F1324}(3) ^{F1323}

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- (4) ^{F1323}
- (5) ^{F1323}]
- (7) ^{F1323}
- (8) ^{F1323}]

Textual Amendments

- F1321**Ss. 441, 441A substituted for s. 441 by [Finance Act 1990 \(c. 29\)](#), [Sch. 7 paras. 3, 10](#)
- F1322**S. 441A(1) repealed (with effect in accordance with [Sch. 3 para. 9\(4\)](#) of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), [Sch. 3 para. 9\(2\)](#), [Sch. 8 Pt. 2\(6\)](#), Note
- F1323**S. 441A(2)-(8) repealed (with effect in accordance with [Sch. 4 para. 28\(2\)](#), [Sch. 8 Pt. 2\(10\)](#) Note of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), [Sch. 4 para. 28\(1\)](#), [Sch. 8 Pt. 2\(10\)](#)
- F1324**S. 441A(3)-(5) substituted for s. 441A(3)-(6) (with effect in accordance with [Sch. 8 para. 57\(1\)](#) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 8 para. 31](#) (with [Sch. 8 para. 55\(2\)](#))

[^{F1325} 441B Treatment of UK land.

- ^{F1326}

Textual Amendments

- F1325**S. 441B inserted (with effect in accordance with [Sch. 8 para. 57\(1\)](#) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 8 para. 32](#) (with [Sch. 8 para. 55\(2\)](#))
- F1326**S. 441B repealed (13.8.2007 with effect in accordance with [reg. 1\(2\)](#) of the repealing S.I.) by [The Insurance Companies \(Overseas Life Assurance Business\) \(Excluded Business\) \(Amendment\) Regulations 2007 \(S.I. 2007/2086\)](#), [regs. 1\(1\), 6\(2\)\(a\)](#)

442 Overseas business of U.K. companies.

- ^{F1327}

Textual Amendments

- F1327**S. 442 omitted (with effect in accordance with [s. 148\(1\)](#) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 41](#) (with [Sch. 17](#))

[^{F1328} 442A Taxation of investment return where risk reinsured.

- ^{F1329}

Textual Amendments

- F1328**S. 442A inserted (with effect in accordance with [Sch. 8 para. 57\(1\)](#) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 8 para. 34](#) (with [Sch. 8 paras. 55\(2\), 57\(2\)](#))
- F1329**S. 442A omitted (with effect in accordance with [s. 148\(1\)](#) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 42](#) (with [Sch. 17](#))

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443 Life policies carrying rights not in money.

F1330

Textual Amendments

F1330S. 443 repealed (19.7.2007) by Finance Act 2007 (c. 11), Sch. 10 para. 16(3)(d), Sch. 27 Pt. 2(10), Note

444 Life policies issued before 5th August 1965.

F1331

Textual Amendments

F1331S. 444 repealed (19.7.2007) by Finance Act 2007 (c. 11), Sch. 10 para. 16(3)(e), Sch. 27 Pt. 2(10), Note

[^{F1332}444A] Transfers of business.

F1333

Textual Amendments

F1332S. 444A inserted (with effect in accordance with Sch. 9 para. 7 of the amending Act) by Finance Act 1990 (c. 29), Sch. 9 para. 4

F1333Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 43 (with Sch. 17)

[^{F1334}444AZA] Transfers of life assurance business: [^{F1335}gross roll-up business] losses of the transferor

F1336

Textual Amendments

F1334Ss. 444AZA, 444AZB inserted (19.2.2008 with effect in accordance with art. 1(5) of the amending S.I.) by The Insurance Business Transfer Schemes (Amendment of the Corporation Tax Acts) Order 2008 (S.I. 2008/381), art. 9

F1335Words in s. 444AZA title substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 142(5) (with Sch. 2 Pts. 1, 2)

F1336Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 43 (with Sch. 17)

444AZB Transfers of life assurance business: [^{F1337}trade] losses of the transferor

F1338

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Textual Amendments

- F1334** Ss. 444AZA, 444AZB inserted (19.2.2008 with effect in accordance with art. 1(5) of the amending S.I.) by [The Insurance Business Transfer Schemes \(Amendment of the Corporation Tax Acts\) Order 2008 \(S.I. 2008/381\)](#), **art. 9**
- F1337** Word in s. 444AZB title substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), **Sch. 1 para. 143(5)** (with [Sch. 2 Pts. 1, 2](#))
- F1338** Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 43** (with [Sch. 17](#))

[^{F1339} **444AA Transfers of business: deemed periodical returns**

F1340]

Textual Amendments

- F1339** S. 444AA inserted (with effect in accordance with [Sch. 33 para. 18\(2\)](#) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), **Sch. 33 para. 18(1)**
- F1340** Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 43** (with [Sch. 17](#))

[^{F1341} ~~444AB~~ ^{F1342} **Transfer schemes: transferor**]

F1343]

Textual Amendments

- F1341** S. 444AB inserted (with effect in accordance with [Sch. 33 para. 19\(2\)](#) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), **Sch. 33 para. 19(1)**
- F1342** S. 444AB heading substituted (19.2.2008 with effect in accordance with art. 1(4) of the amending S.I.) by virtue of [The Insurance Business Transfer Schemes \(Amendment of the Corporation Tax Acts\) Order 2008 \(S.I. 2008/381\)](#), **arts. 1(1), 11(6)**
- F1343** Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 43** (with [Sch. 17](#)) (subject to amendments to s. 444AB by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), **Sch. 18 para. 58(6)**; S.I. 2013/423, **art. 3**, **Sch.**)

[^{F1344} ~~444ABA~~ ^{F1345} **Non long-term fund transferred assets**]

F1346]

Textual Amendments

- F1344** S. 444ABA inserted (with effect in accordance with [Sch. 7 para. 3\(2\)](#) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), **Sch. 7 para. 3(1)**
- F1345** S. 444ABA heading substituted (with effect in accordance with s. 15(11) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), **s. 15(9)**
- F1346** Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 43** (with [Sch. 17](#))

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[^{F1347} ~~444ABA~~ **444ABAA profit fund transferred assets**

F1348]

Textual Amendments

F1347S. ~~444ABA~~ inserted (with effect in accordance with s. 15(11) of the amending Act) by Finance (No. 3) Act 2010 (c. 33), s. 15(10)

F1348Ss. ~~444A-444AED~~ omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 43 (with Sch. 17)

[^{F1349} ~~444AB~~ **444ABBA obtained assets**

F1350]

Textual Amendments

F1349Ss. ~~444AB-444ABC~~ substituted for ss. 444AB, 444ABA (with effect in accordance with Sch. 9 para. 17(2) of the amending Act) by Finance Act 2007 (c. 11), Sch. 9 para. 4(1); S.I. 2008/379, art. 2

F1350Ss. ~~444A-444AED~~ omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 43 (with Sch. 17)

[^{F1351} ~~444ABBA~~ **444ABBA of business: election for transferee to pay tax of transferor**

F1352]

Textual Amendments

F1351S. ~~444ABBA~~ inserted (19.2.2008 with effect in accordance with art. 1(4) of the amending S.I.) by The Insurance Business Transfer Schemes (Amendment of the Corporation Tax Acts) Order 2008 (S.I. 2008/381), art. 14

F1352Ss. ~~444A-444AED~~ omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 16 para. 43 (with Sch. 17)

[^{F1353} ~~444ABC~~ **444ABC transfer scheme transferring part of business: transferor**

F1354]

Textual Amendments

F1353Ss. ~~444AB-444ABC~~ substituted for ss. 444AB, 444ABA (with effect in accordance with Sch. 9 para. 17(2) of the amending Act) by Finance Act 2007 (c. 11), Sch. 9 para. 4(1); S.I. 2008/379, art. 2

F1354S. ~~444ABC~~ omitted (19.2.2008 with effect in accordance with art. 1(4) of the repealing S.I.) by virtue of The Insurance Business Transfer Schemes (Amendment of the Corporation Tax Acts) Order 2008 (S.I. 2008/381), arts. 1(1), 15

[^{F1355} ~~444ABD~~ **444ABD transferor's period of account including transfer**

F1356]

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Textual Amendments

F1355Ss. 444ABD inserted (with effect in accordance with [Sch. 9 para. 17\(4\)](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 9 para. 5](#)

F1356Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 43](#) (with [Sch. 17](#))

[^{F1357} ~~444AC~~^{F1358} **Transfer schemes: reduction of income of transferee**]

^{F1359}

Textual Amendments

F1357Ss. 444AC-444AE inserted (with effect in accordance with [Sch. 33 para. 20\(3\)\(4\)](#) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 33 para. 20\(1\)](#)

F1358S. 444AC heading substituted (19.2.2008 with effect in accordance with art. 1(4) of the amending S.I.) by virtue of [The Insurance Business Transfer Schemes \(Amendment of the Corporation Tax Acts\) Order 2008 \(S.I. 2008/381\)](#), [arts. 1\(1\)](#), 17(8)

F1359Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 43](#) (with [Sch. 17](#))

[^{F1360} ~~444ACZA~~ **Transfer schemes transferring part of business: reduction in income of transferee**]

^{F1361}

Textual Amendments

F1357Ss. 444AC-444AE inserted (with effect in accordance with [Sch. 33 para. 20\(3\)\(4\)](#) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 33 para. 20\(1\)](#)

F1360Ss. 444AC, 444ACZA substituted for s. 444AC (with effect in accordance with [Sch. 9 para. 17\(2\)](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 9 para. 6\(1\)](#); [S.I. 2008/379](#), [art. 2](#)

F1361S. 444ACZA omitted (19.2.2008 with effect in accordance with art. 1(4) of the repealing S.I.) by virtue of [The Insurance Business Transfer Schemes \(Amendment of the Corporation Tax Acts\) Order 2008 \(S.I. 2008/381\)](#), [arts. 1\(1\)](#), 18

[^{F1362} ~~444ACA~~ **Transfers of business: transferor shares are assets of transferee's long-term insurance fund etc**]

^{F1363}

Textual Amendments

F1357Ss. 444AC-444AE inserted (with effect in accordance with [Sch. 33 para. 20\(3\)\(4\)](#) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [Sch. 33 para. 20\(1\)](#)

F1362S. 444ACA inserted (with effect in accordance with [Sch. 9 para. 8\(2\)](#) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 9 para. 8\(1\)](#)

F1363S. 444ACA repealed (with effect in accordance with [Sch. 10 para. 17\(2\)](#) of the repealing Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 10 para. 2\(2\)](#), [Sch. 27 Pt. 2\(10\)](#), Note

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444AD Transfers of business: modification of s.83(2B) FA 1989

F1364

Textual Amendments

F1357Ss. 444AC-444AE inserted (with effect in accordance with Sch. 33 para. 20(3)(4) of the amending Act) by Finance Act 2003 (c. 14), **Sch. 33 para. 20(1)**

F1364S. 444AD repealed (with effect in accordance with Sch. 9 para. 17(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 9 para. 7(1), **Sch. 27 Pt. 2(9)**, Note; S.I. 2008/379, **art. 2**

444AE Transfers of business: FAFTS

F1365]

Textual Amendments

F1357Ss. 444AC-444AE inserted (with effect in accordance with Sch. 33 para. 20(3)(4) of the amending Act) by Finance Act 2003 (c. 14), **Sch. 33 para. 20(1)**

F1365Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 43** (with Sch. 17)

[^{F1366}444AFA Transfer schemes: anti-avoidance rule

F1367

Textual Amendments

F1366Ss. 444AEA-444AED inserted (with effect in accordance with Sch. 9 para. 17(2) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 9 para. 8(1)**; S.I. 2008/379, **art. 2**

F1367Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 43** (with Sch. 17)

444AEB[^{F1368}Life assurance trade profits] advantage: transferor

F1369

Textual Amendments

F1366Ss. 444AEA-444AED inserted (with effect in accordance with Sch. 9 para. 17(2) of the amending Act) by Finance Act 2007 (c. 11), **Sch. 9 para. 8(1)**; S.I. 2008/379, **art. 2**

F1368Words in s. 444AEB title substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 146(5)** (with Sch. 2 Pts. 1, 2)

F1369Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 16 para. 43** (with Sch. 17)

444AEC[^{F1370}Life assurance trade profits] advantage: transferee

F1371

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Textual Amendments

- F1366**Ss. 444AEA-444AED inserted (with effect in accordance with [Sch. 9 para. 17\(2\)](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 9 para. 8\(1\)](#); S.I. 2008/379, [art. 2](#)
- F1370**Words in s. 444AEC title substituted (1.4.2009 with effect in accordance with [s. 1329\(1\)](#) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 147\(5\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F1371**Ss. 444A-444AED omitted (with effect in accordance with [s. 148\(1\)](#) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 43](#) (with [Sch. 17](#))

Parts of transfer scheme arrangements: anti-avoidance rule

F1372 **444AECA**
F1373

Textual Amendments

- F1366**Ss. 444AEA-444AED inserted (with effect in accordance with [Sch. 9 para. 17\(2\)](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 9 para. 8\(1\)](#); S.I. 2008/379, [art. 2](#)
- F1372**Ss. 444AECA-444AECC inserted (19.2.2008 with effect in accordance with [art. 1\(4\)](#) of the amending S.I.) by [The Insurance Business Transfer Schemes \(Amendment of the Corporation Tax Acts\) Order 2008 \(S.I. 2008/381\)](#), [art. 22](#)
- F1373**Ss. 444A-444AED omitted (with effect in accordance with [s. 148\(1\)](#) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 43](#) (with [Sch. 17](#))

444AECB Parts of transfer scheme arrangements: [^{F1374}life assurance trade profits] advantage transferor

F1375

Textual Amendments

- F1366**Ss. 444AEA-444AED inserted (with effect in accordance with [Sch. 9 para. 17\(2\)](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 9 para. 8\(1\)](#); S.I. 2008/379, [art. 2](#)
- F1372**Ss. 444AECA-444AECC inserted (19.2.2008 with effect in accordance with [art. 1\(4\)](#) of the amending S.I.) by [The Insurance Business Transfer Schemes \(Amendment of the Corporation Tax Acts\) Order 2008 \(S.I. 2008/381\)](#), [art. 22](#)
- F1374**Words in s. 444AECB title substituted (1.4.2009 with effect in accordance with [s. 1329\(1\)](#) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 149\(7\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F1375**Ss. 444A-444AED omitted (with effect in accordance with [s. 148\(1\)](#) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 43](#) (with [Sch. 17](#))

444AECF Parts of transfer scheme arrangements: [^{F1376}life assurance trade profits] advantage transferee

F1377

Textual Amendments

- F1366**Ss. 444AEA-444AED inserted (with effect in accordance with [Sch. 9 para. 17\(2\)](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 9 para. 8\(1\)](#); S.I. 2008/379, [art. 2](#)

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- F1372** Ss. 444AECA-444AECC inserted (19.2.2008 with effect in accordance with art. 1(4) of the amending S.I.) by [The Insurance Business Transfer Schemes \(Amendment of the Corporation Tax Acts\) Order 2008 \(S.I. 2008/381\)](#), **art. 22**
- F1376** Words in s. 444AECC title substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), **Sch. 1 para. 150(6)** (with [Sch. 2 Pts. 1, 2](#))
- F1377** Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 43** (with [Sch. 17](#))

444AED Clearance: no avoidance or group advantage

F1378]

Textual Amendments

- F1366** Ss. 444AEA-444AED inserted (with effect in accordance with [Sch. 9 para. 17\(2\)](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), **Sch. 9 para. 8(1)**; S.I. 2008/379, **art. 2**
- F1378** Ss. 444A-444AED omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 43** (with [Sch. 17](#))

[^{F1379} Surpluses of mutual and former mutual businesses

Textual Amendments

- F1379** Ss. 444AF-444AL and preceding cross-heading inserted (with effect in accordance with [Sch. 11 para. 5\(2\)-\(14\)](#) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), **Sch. 11 para. 5(1)**

444AF Demutualisation surplus: life assurance business

F1380

Textual Amendments

- F1380** Ss. 444AF-444AL omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 44** (with [Sch. 17](#))

444AG Section 444AF: “demutualisation transfer surplus”

F1381

Textual Amendments

- F1381** Ss. 444AF-444AL omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 16 para. 44** (with [Sch. 17](#))

444AH Modification of section 444AG etc for [^{F1382} gross roll-up] businesses

F1383

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Textual Amendments

F1382 Words in s. 444AH heading substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 153](#) (with [Sch. 2 Pts. 1, 2](#))

F1383 Ss. 444AF-444AL omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 44](#) (with [Sch. 17](#))

444AI Section 444AF: “reduction in company's unappropriated surplus”

F1384

Textual Amendments

F1384 Ss. 444AF-444AL omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 44](#) (with [Sch. 17](#))

444AJ Sections 444AF and 444AK: “relevant receipts reduction”

F1385

Textual Amendments

F1385 Ss. 444AF-444AL omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 44](#) (with [Sch. 17](#))

444AK [^{F1386}Mutual surplus: gross roll-up business]

F1387

Textual Amendments

F1386 S. 444AK heading substituted (with effect in accordance with s. 38(2) of the amending Act) by virtue of [Finance Act 2007 \(c. 11\)](#), [Sch. 7 para. 38\(5\)](#) (with [Sch. 7 Pt. 2](#))

F1387 Ss. 444AF-444AL omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 44](#) (with [Sch. 17](#))

444AL Interpretation of sections 444AF to 444AK

F1388

Textual Amendments

F1388 Ss. 444AF-444AL omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 16 para. 44](#) (with [Sch. 17](#))

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[^{F1389} Provisions applying in relation to overseas life insurance companies

Textual Amendments

F1389S. 444B and cross heading inserted (27.7.1993) by **1993 c.34, s. 97(1)**

F1390 444B Modification of Act in relation to overseas life insurance companies.

F1391]

Textual Amendments

F1390S. 444B and cross heading inserted (27.7.1993) by **1993 c. 34, s. 97(1)**

F1391S. 444B repealed (31.12.2006 with effect in accordance with reg. 1 of the repealing S.I.) by **The Overseas Life Insurance Companies Regulations 2006 (S.I. 2006/3271), reg. 43(1), Sch. Pt. 1**

[^{F1392} Equalisation reserves

Textual Amendments

F1392Ss. 444BA-444BD and preceding cross-heading inserted (29.4.1996) by **Finance Act 1996 (c. 8), s. 166, Sch. 32 para. 1**

444BA Equalisation reserves for general business.

F1393

Textual Amendments

F1393Ss. 444BA-444BD repealed (with effect in accordance with s. 26(3)-(9) of the repealing Act) by **Finance Act 2012 (c. 14), s. 26(1); S.I. 2015/1999, art. 2**

444BB Modification of s. 444BA for mutual or overseas business and for non-resident companies.

F1394

Textual Amendments

F1394Ss. 444BA-444BD repealed (with effect in accordance with s. 26(3)-(9) of the repealing Act) by **Finance Act 2012 (c. 14), s. 26(1); S.I. 2015/1999, art. 2**

444BC Modification of s. 444BA for non-annual accounting etc.

F1395

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Textual Amendments

F1395Ss. 444BA-444BD repealed (with effect in accordance with s. 26(3)-(9) of the repealing Act) by Finance Act 2012 (c. 14), s. 26(1); S.I. 2015/1999, art. 2

444BD Application of s. 444BA rules to other equalisation reserves.

F1396

Textual Amendments

F1396Ss. 444BA-444BD repealed (with effect in accordance with s. 26(3)-(9) of the repealing Act) by Finance Act 2012 (c. 14), s. 26(1); S.I. 2015/1999, art. 2

444C Modification of section 440.

F1397

Textual Amendments

F1397Ss. 444C-444E repealed (with effect in accordance with Sch. 8 paras. 55, 57(1) of the repealing Act) by Finance Act 1995 (c. 4), Sch. 29 Pt. 8(5), Notes 1, 2

444D Qualifying distributions, tax credits, etc.

F1398

Textual Amendments

F1398Ss. 444C-444E repealed (with effect in accordance with Sch. 8 paras. 55, 57(1) of the repealing Act) by Finance Act 1995 (c. 4), Sch. 29 Pt. 8(5), Notes 1, 2

444E Income from investments attributable to BLAGAB, etc.

F1399]

Textual Amendments

F1399Ss. 444C-444E repealed (with effect in accordance with Sch. 8 paras. 55, 57(1) of the repealing Act) by Finance Act 1995 (c. 4), Sch. 29 Pt. 8(5), Notes 1, 2

Provisions applying only to overseas life insurance companies

F1400 445

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Textual Amendments

F1400S. 445 repealed (27.7.1993 with effect as mentioned in s. 103(3)(4) of the amending Act) by 1993 c. 34, ss. 103(2)(a)(3)(4), 213, **Sch. 23 Pt. III(9)**, note

446 Annuity business.

- F1401(1)
- F1402(2)
- F1402(3)
- F1403(4)

Textual Amendments

F1401S. 446(1) repealed (27.7.1993 with effect as mentioned in s. 103(3)(4) of the amending Act) by 1993 c. 34, ss. 103(2)(b)(3)(4), 213, **Sch. 23 Pt. III(9)**, note
F1402S. 446(2)(3) repealed (for accounting periods beginning on or after 1.1.1992) by Finance Act 1991 (c. 31, SIF 63:1), ss. 48, 123, Sch. 7 para. 7(1)(b), **Sch. 19 Pt. V**, Note 3
F1403S. 446(4) repealed by Finance Act 1990 (c. 29, SIF 63:1), s. 132, **Sch. 19 Pt. IV**.

- 447**
F1404(1)
- F1404(2)
- F1405(3)
- F1404(4)

Textual Amendments

F1404S. 447(1)(2) and (4) repealed (27.7.1993 with effect as mentioned in s. 103(3)(4) of the amending Act) by 1993 c. 34, ss. 103(2)(c)(3)(4), 213, **Sch. 23 Pt. III(9)**, note
F1405S. 447(3) repealed (for accounting periods beginning on or after 1.1.1992) by Finance Act 1991 (c. 31, SIF 63:1), ss. 48, 123, Sch. 7 paras. 7(3), 18, **Sch. 19 Pt. V**, Note 3

- F1406 **448**

Textual Amendments

F1406S. 448 repealed (27.7.1993 with effect as mentioned in s. 103(3)(4) of the amending Act) by 1993 c. 34, ss. **103(2)d)**, 213, Sch. 23 Pt.III (9), note

- F1407 **449**

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Textual Amendments
F1407S. 449 repealed (27.7.1993 with effect as mentioned in s. 103(3)(4) of the amending Act) by 1993 c. 34, ss. 103(2)(e), 213, Sch. 23 Pt. III (9), note

Underwriters

F1408 **450**

Textual Amendments
F1408Ss. 450-457 repealed (27.7.1993 with effect as mentioned in Sch. 23 Pt. III (12) notes 1 and 5 of the amending Act) by 1993 c. 34, s. 213, Sch. 23 Pt. III (12), notes 1 and 5

F1409 **451**

Textual Amendments
F1409Ss. 450-457 repealed (27.7.1993 with effect as mentioned in Sch. 23 Pt. III (12), notes 1 and 5 of the repealing Act) by 1993 c. 34, s. 213, Sch. 23 Pt. III (12), notes. 1 and 5

F1410 **452**

Textual Amendments
F1410Ss. 450-457 repealed (27.7.1993 with effect as mentioned in Sch. 23 Pt. III (12), notes 1 and 5 of the amending Act) by 1993 c. 34, s. 213, Sch. 23 Pt. III (12), notes 1 and 5

F1411 **453**

Textual Amendments
F1411Ss. 450-457 repealed (27.7.1993 with effect as mentioned in Sch. 23 Pt. III (12), notes 1 and 5 of the amending Act) by 1993 c. 34, s. 213, Sch. 23, Pt. III (12), notes 1 and 5

F1412 **454**

Textual Amendments
F1412Ss. 450-457 repealed (27.7.1993 with effect as mentioned in Sch. 23 Pt. III (12), notes 1 and 5 of the amending Act) by 1993 c. 34, s. 213, Sch. 23 Pt. III (12), notes 1 and 5

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

F1413 455

Textual Amendments

F1413Ss. 450-457 repealed (27.7.1993 with effect as mentioned in Sch. 23 Pt. III (12), notes 1 and 5 of the amending Act) by 1993 c. 34, s. 213, **Sch. 23 Pt. III** (12), notes 1 and 5

F1414 456

Textual Amendments

F1414Ss. 450-457 repealed (27.7.1993 with effect as mentioned in Sch. 23 Pt. III (12), notes 1 and 5 of the amending Act) by 1993 c. 34, s. 213, **Sch. 23 Pt. III** (12), notes 1 and 5

F1415 457

Textual Amendments

F1415Ss. 450-457 repealed (27.7.1993 with effect as mentioned in Sch. 23 Pt. III (12), notes 1 and 5 of the amending Act) by 1993 c. 34, s. 213, **Sch. 23 Pt. III** (12), notes 1 and 5

Capital redemption business

458 Capital redemption business.

F1416

Textual Amendments

F1416Ss. 458, 458A repealed (with effect in accordance with s. 38(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 7 para. 39, **Sch. 27 Pt. 2(7)**, Note (with Sch. 7 Pt. 2)

[^{F1417}458 Capital redemption business: power to apply life assurance provisions.

F1418]

Textual Amendments

F1417S. 458A inserted (29.4.1996) by Finance Act 1996 (c. 8), s. 168(3)

F1418Ss. 458, 458A repealed (with effect in accordance with s. 38(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 7 para. 39, **Sch. 27 Pt. 2(7)**, Note (with Sch. 7 Pt. 2)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

CHAPTER II

FRIENDLY SOCIETIES, TRADE UNIONS AND EMPLOYERS' ASSOCIATIONS

Unregistered friendly societies

459 Exemption from tax.

F1419

Textual Amendments

F1419S. 459 omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 18 para. 2](#)

Registered friendly societies

460 Exemption from tax in respect of life or endowment business.

F1420

Textual Amendments

F1420S. 460 omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 18 para. 3](#)

461 Taxation in respect of other business.

F1421

Textual Amendments

F1421S. 461 omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 18 para. 4](#)

[^{F1422}461 Taxation in respect of other business: incorporated friendly societies qualifying for exemption.

F1423]

Textual Amendments

F1422Ss. 461A-461C inserted (19.2.1993) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), s. 56, [Sch. 9 para.7](#); S.I. 1993/236, [art.2](#)

F1423Ss. 461A-461C omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 18 para. 5](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F1424 461B Taxation in respect of other business: incorporated friendly societies etc.

F1425

Textual Amendments

F1424Ss. 461A-461C inserted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, **Sch. 9 para.7**; S.I. 1993/236, **art. 2**

F1425Ss. 461A-461C omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 18 para. 5**

F1426 461C Taxation in respect of other business: withdrawal of “qualifying” status from incorporated friendly society.

F1427

Textual Amendments

F1426Ss. 461A-461C inserted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, **Sch. 9 para.7**; S.I. 1993/236, **art. 2**

F1427Ss. 461A-461C omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 18 para. 5**

[F1428 461D Transfers of other business

F1429]

Textual Amendments

F1428S. 461D inserted (with effect in accordance with **Sch. 18 para. 3(2)** of the amending Act) by Finance Act 2008 (c. 9), **Sch. 18 para. 3(1)**

F1429S. 461D omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 18 para. 6**

462 Conditions for tax exempt business.

F1430

Textual Amendments

F1430S. 462 omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 18 para. 7**

[F1431 462A Election as to tax exempt business.

F1432]

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F1431S. 462A inserted by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), s. 50, [Sch. 9 para. 2](#)

F1432S. 462A omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 18 para. 5\(1\)\(b\)](#)

463 [^{F1433}**Long-term] business: application of the Corporation Tax Acts.**

F1434

Textual Amendments

F1433 Words in s. 463 heading substituted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 18 para. 4](#)

F1434S. 463 omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 18 para. 8](#)

464 **Maximum benefits payable to members.**

F1435

Textual Amendments

F1435S. 464 omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 18 para. 9](#)

465 **Old societies.**

F1436

Textual Amendments

F1436S. 465 omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 18 para. 10](#)

[^{F1437}**465A** **Assets of branch of registered friendly society to be treated as assets of society after incorporation.**

F1438]

Textual Amendments

F1437S. 465A inserted (19.12.1993) by [Finance \(No. 2\) Act 1992 \(c. 48\)](#), s. 56, [Sch. 9 para.13, 22](#); S.I. 1993/236, [art.2](#)

F1438S. 465A omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 18 para. 11](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

466 Interpretation of Chapter II.

F1439

Textual Amendments

F1439S. 466 omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 18 para. 12](#)

Trade unions and employers' associations

467 Exemption for trade unions and employers' associations.

F1440

Textual Amendments

F1440S. 467 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 52](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

CHAPTER III

UNIT TRUST SCHEMES, DEALERS IN SECURITIES ETC.

Unit trust schemes

468 Authorised unit trusts.

F1441

Textual Amendments

F1441S. 468 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 53](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1442}**468AA Authorised unit trusts: futures and options.**

F1443]

Textual Amendments

F1442S. 468AA inserted by [Finance Act 1990 \(c. 29\)](#), [s. 81\(1\)\(5\)](#)

F1443S. 468AA repealed (with effect in accordance with s. 83(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 27 para. 6](#), [Sch. 40 Pt. 3\(13\)](#), Note (with [Sch. 28](#))

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F1444}**468A**Certified unit trusts.

F1445]

Textual Amendments

F1444Ss. 468A-468C inserted by Finance Act 1989 (c. 26), s. 78

F1445Ss. 468A-468D repealed by Finance Act 1990 (c. 29), s. 52, Sch. 19 Pt. 4, Note 7

[^{F1446}**468B**Open-ended investment companies

F1447]

Textual Amendments

F1446S. 468A inserted (20.7.2005) by Finance (No. 2) Act 2005 (c. 22), s. 16

F1447S. 468A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 54, Sch. 3 Pt. 1 (with Sch. 2)

^{F1448}**468C**Certified unit trusts: corporation tax.

F1449

Textual Amendments

F1448Ss. 468A-468C inserted by Finance Act 1989 (c. 26), s. 78

F1449Ss. 468A-468D repealed by Finance Act 1990 (c. 29), s. 52, Sch. 19 Pt. 4, Note 7

^{F1450}**468D**Certified unit trusts: distributions.

F1451

Textual Amendments

F1450Ss. 468A-468C inserted by Finance Act 1989 (c. 26), s. 78

F1451Ss. 468A-468D repealed by Finance Act 1990 (c. 29), s. 52, Sch. 19 Pt. 4, Note 7

[^{F1452}**468E**Funds of funds: distributions.

F1453]

Textual Amendments

F1452S. 468D inserted by Finance Act 1989 (c. 26), s. 79

F1453Ss. 468A-468D repealed by Finance Act 1990 (c. 29), s. 52, Sch. 19 Pt. 4, Note 7

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[^{F1454} **468E** ~~468D~~ **Authorised unit trusts: corporation tax.**

F1455]

Textual Amendments

F1454Ss. 468E-468G inserted by [Finance Act 1990 \(c. 29\)](#), [s. 51](#)

F1455S. 468E repealed (with effect in accordance with Sch. 6 paras. 10(3), 28 of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 41 Pt. 5\(1\)](#), Note 1

[^{F1456} **468EE** ~~468E~~ **Corporation tax: cases where lower rate applies.**

F1457]

Textual Amendments

F1456S. 468EE inserted (3.5.1994) by [Finance Act 1994 \(c. 9\)](#), [s. 111\(2\)](#)

F1457S. 468EE repealed (with effect in accordance with Sch. 6 paras. 10(3), 28 of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 41 Pt. 5\(1\)](#), Note 1

^{F1458} **468F** ~~468E~~ **Authorised unit trusts: distributions.**

F1459]

Textual Amendments

F1458Ss. 468E-468G inserted by [Finance Act 1990 \(c. 29\)](#), [s. 51](#)

F1459S. 468F repealed (with effect in accordance with Sch. 14 para. 7 of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 14 para. 4](#), [Sch. 26 Pt. 5\(13\)](#), Note

^{F1460} **468G** ~~468F~~ **Dividends paid to investment trusts.**

F1461]

Textual Amendments

F1460Ss. 468E-468G inserted by [Finance Act 1990 \(c. 29\)](#), [s. 51](#)

F1461S. 468G repealed (with effect in accordance with Sch. 14 para. 7 of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 14 para. 4](#), [Sch. 26 Pt. 5\(13\)](#), Note

[^{F1462} Distributions of authorised unit trusts: general

Textual Amendments

F1462Ss. 468H-468R and cross-headings inserted (with effect in accordance with [Sch. 14 para. 7](#) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [Sch. 14 para. 2](#)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

468H Interpretation.

F1463

Textual Amendments

F1463 Ss. 468H-468Q repealed (in force in accordance with S.I. 2006/982, **art. 2**) by Finance (No. 2) Act 2005 (c. 22), ss. 17(1)(a), 19(1), **Sch. 11 Pt. 2(3)**, Note 2

468I Distribution accounts.

F1464

Textual Amendments

F1464 Ss. 468H-468Q repealed (in force in accordance with S.I. 2006/982, **art. 2**) by Finance (No. 2) Act 2005 (c. 22), ss. 17(1)(a), 19(1), **Sch. 11 Pt. 2(3)**, Note 2

Dividend and foreign income distributions

468J Dividend distributions.

F1465

Textual Amendments

F1465 Ss. 468H-468Q repealed (in force in accordance with S.I. 2006/982, **art. 2**) by Finance (No. 2) Act 2005 (c. 22), ss. 17(1)(a), 19(1), **Sch. 11 Pt. 2(3)**, Note 2

468K Foreign income distributions.

F1466

Textual Amendments

F1466 S. 468K repealed (with effect in accordance with s. 36, Sch. 6 para. 8(9) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 8(4), **Sch. 8 Pt. 2(11)**

Interest distributions

468L Interest distributions.

F1467

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F1467Ss. 468H-468Q repealed (in force in accordance with S.I. 2006/982, **art. 2**) by Finance (No. 2) Act 2005 (c. 22), ss. 17(1)(a), 19(1), **Sch. 11 Pt. 2(3)**, Note 2

[^{F1468}**468M** Cases where no obligation to deduct tax

^{F1469}

Textual Amendments

F1468S. 468M substituted for ss. 468M, 468N (with effect in accordance with s. 203(14) of the amending Act) by Finance Act 2003 (c. 14), **s. 203(3)**

F1469Ss. 468H-468Q repealed (in force in accordance with S.I. 2006/982, **art. 2**) by Finance (No. 2) Act 2005 (c. 22), ss. 17(1)(a), 19(1), **Sch. 11 Pt. 2(3)**, Note 2

468O Residence condition [^{F1470} and reputable intermediary condition].

^{F1471}

Textual Amendments

F1470Words in s. 468O sidenote inserted (with effect in accordance with s. 203(14) of the amending Act) by Finance Act 2003 (c. 14), **s. 203(7)**

F1471Ss. 468H-468Q repealed (in force in accordance with S.I. 2006/982, **art. 2**) by Finance (No. 2) Act 2005 (c. 22), ss. 17(1)(a), 19(1), **Sch. 11 Pt. 2(3)**, Note 2

468P Residence declarations.

^{F1472}

Textual Amendments

F1472Ss. 468H-468Q repealed (in force in accordance with S.I. 2006/982, **art. 2**) by Finance (No. 2) Act 2005 (c. 22), ss. 17(1)(a), 19(1), **Sch. 11 Pt. 2(3)**, Note 2

[^{F1473}**Section 468O(1A): consequences of reasonable but incorrect belief**

^{F1474}**468PA**

Textual Amendments

F1473Ss. 468PA, 468PB inserted (with effect in accordance with s. 203(14) of the amending Act) by Finance Act 2003 (c. 14), **s. 203(9)**

F1474Ss. 468H-468Q repealed (in force in accordance with S.I. 2006/982, **art. 2**) by Finance (No. 2) Act 2005 (c. 22), ss. 17(1)(a), 19(1), **Sch. 11 Pt. 2(3)**, Note 2

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468PB Regulations supplementing sections 468M to 468PA

F1475]

Textual Amendments

F1473Ss. 468PA, 468PB inserted (with effect in accordance with s. 203(14) of the amending Act) by Finance Act 2003 (c. 14), s. 203(9)

F1475Ss. 468H-468Q repealed (in force in accordance with S.I. 2006/982, art. 2) by Finance (No. 2) Act 2005 (c. 22), ss. 17(1)(a), 19(1), Sch. 11 Pt. 2(3), Note 2

Distributions to corporate unit holder

468Q Dividend distribution to corporate unit holder.

F1476

Textual Amendments

F1476Ss. 468H-468Q repealed (in force in accordance with S.I. 2006/982, art. 2) by Finance (No. 2) Act 2005 (c. 22), ss. 17(1)(a), 19(1), Sch. 11 Pt. 2(3), Note 2

468R Foreign income distribution to corporate unit holder.

F1477

Textual Amendments

F1477S. 468R repealed (with effect in accordance with s. 36, Sch. 6 para. 8(9) of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), Sch. 6 para. 8(7), Sch. 8 Pt. 2(11), Note

469 Other unit trusts.

F1478

Textual Amendments

F1478S. 469 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 55, Sch. 3 Pt. 1 (with Sch. 2)

[Court common investment funds.

^{F1479}469A ^{F1480}.....]

Textual Amendments

F1479S. 469A inserted (with effect in accordance with s. 68(3)-(5) of the amending Act) by Finance Act 1999 (c. 16), s. 68(1)

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F1480S. 469A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 56, **Sch. 3 Pt. 1** (with Sch. 2)

470 Transitional provisions relating to unit trusts.

- (1) ^{F1481}
- ^{F1482}(2)
- (3) ^{F1481}

Textual Amendments

F1481S. 470(1)(3) repealed (31.7.1998) by Finance Act 1998 (c. 36), **Sch. 27 Pt. 3(23)**

F1482S. 470(2) ceased to have effect (29.4.1988) by virtue of s. 470(3) below and S.I. 1988/745, **art. 2**

Dealers in securities, banks and insurance businesses

471 Exchange of securities in connection with conversion operations, nationalisation etc.

- ^{F1483}

Textual Amendments

F1483S. 471 repealed (with effect in accordance with s. 101(3) of the repealing Act) by Finance Act 1998 (c. 36), s. 101(1), **Sch. 27 Pt. 3(23)**, Note 1

472 Distribution of securities issued in connection with nationalisation etc.

- ^{F1484}

Textual Amendments

F1484S. 472 repealed (with effect in accordance with s. 101(4) of the repealing Act) by Finance Act 1998 (c. 36), s. 101(2), **Sch. 27 Pt. 3(23)**, Note 2

[^{F1485} **472A** ^{F1486} Trading profits etc. from securities: taxation of amounts taken to reserves]

Textual Amendments

F1485S. 472A inserted (with effect in accordance with s. 54(2) of the amending Act) by Finance Act 2004 (c. 12), **s. 54** (as amended (retrospectively) by Finance Act 2005 (c.7), Sch. 4 para. 50, **Sch. 11 Pt. 2(7)**)

F1486S. 472A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 158, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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473 Conversion etc. of securities held as circulating capital.

F1487

Textual Amendments

F1487S. 473 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 159, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

474 Treatment of tax-free income.

(1) ^{F1488}

(2) ^{F1489}

[^{F1488}]

^{F1490}(3)

Textual Amendments

F1488S. 474(1)(3) repealed (with effect in accordance with Sch. 7 para. 32-35, Sch. 41 Pt. 5(2) Note of the repealing Act) by Finance Act 1996 (c. 8), Sch. 7 para. 18, Sch. 41 Pt. 5(2)

F1489S. 474(2) repealed (with effect in accordance with s. 154(9) of the repealing Act) by Finance Act 1996 (c. 8), Sch. 28 para. 2, **Sch. 41 Pt. 5(18)**, Note

F1490S. 474(3) inserted (with effect in accordance with Sch. 8 para. 55 of the amending Act) by Finance Act 1995 (c. 4), **Sch. 8 para. 25(2)**

475 Tax-free Treasury securities: exclusion of interest on borrowed money.

F1491

Textual Amendments

F1491S. 475 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 7 para. 41, **Sch. 10 Pt. 12** (with Sch. 9)

CHAPTER IV

BUILDING SOCIETIES, BANKS, SAVINGS BANKS, INDUSTRIAL AND PROVIDENT SOCIETIES AND OTHERS

476 Building societies: regulations for payment of tax.

F1492

Textual Amendments

F1492S. 476 repealed by Finance Act 1990 (c. 29), Sch. 5 para. 2, **Sch. 19 Pt. 4**, Note 8

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

477 Investments becoming or ceasing to be relevant building society investments.

F1493

Textual Amendments

F1493S. 477 repealed by Finance Act 1990 (c. 29), Sch. 5 para. 3, Sch. 19 Pt. 4, Note 8

[^{F1495}**477 Building societies: [^{F1494}loan relationships]**.

F1496]

Textual Amendments

F1494 Words in s. 477A sidenote substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 88(7) (with Sch. 2)
F1495S. 477A inserted (with effect in accordance with Sch. 5 para. 4(2) of the amending Act) by Finance Act 1990 (c. 29), Sch. 5 para. 4(1)
F1496S. 477A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 57, Sch. 3 Pt. 1 (with Sch. 2)

[^{F1497}**477 Building societies: incidental costs of issuing qualifying shares.**

F1498]

Textual Amendments

F1497S. 477B inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 51, Sch. 10 para. 3(1)(2)
F1498S. 477B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 162, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

478 Building societies: time for payment of tax.

F1499

Textual Amendments

F1499S. 478 repealed (with effect in accordance with s. 199(2) of the repealing Act) by Finance Act 1994 (c. 9), Sch. 26 Pt. 5(23), Note 4; S.I. 1998/3173, art. 2

479 Interest paid on deposits with banks etc.

F1500

Textual Amendments

F1500S. 479 repealed by Finance Act 1990 (c. 29), Sch. 5 para. 5, Sch. 19 Pt. 4, Note 8

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480 Deposits becoming or ceasing to be composite rate deposits.

F1501

Textual Amendments

F1501S. 480 repealed by Finance Act 1990 (c. 29), Sch. 5 para. 6, **Sch. 19 Pt. 4**, Note 8

[^{F1502}480] Relevant deposits: deduction of tax from interest payments.

F1503

Textual Amendments

F1502Ss. 480A-480C inserted (with effect in accordance with Sch. 5 para. 7(2) of the amending Act) by Finance Act 1990 (c. 29), **Sch. 5 para. 7(1)**

F1503Ss. 480A-482 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 89, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F1504}480] Relevant deposits: exception from section 480A.

F1505

Textual Amendments

F1504Ss. 480A-480C inserted (with effect in accordance with Sch. 5 para. 7(2) of the amending Act) by Finance Act 1990 (c. 29), **Sch. 5 para. 7(1)**

F1505Ss. 480A-482 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 89, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F1506}480] Relevant deposits: computation of tax on interest.

F1507

Textual Amendments

F1506Ss. 480A-480C inserted (with effect in accordance with Sch. 5 para. 7(2) of the amending Act) by Finance Act 1990 (c. 29), **Sch. 5 para. 7(1)**

F1507S. 480C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 185, **Sch. 3** (with Sch. 2)

481 “Deposit-taker”, “deposit” and “relevant deposit”.

F1508

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F1508Ss. 480A-482 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 89, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

482 Supplementary provisions.

F1509

Textual Amendments

F1509Ss. 480A-482 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 89, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1510}**482A Audit powers in relation to non-residents.**

F1511]

Textual Amendments

F1510S. 482A inserted by [Finance Act 1991 \(c. 31, SIF 63:1\), s.75](#)
F1511 S. 482A repealed (with effect in accordance with s. 145(11), Sch. 40 Pt. 5 Note of the repealing Act) by [Finance Act 2000 \(c. 17\), s. 145\(10\), Sch. 40 Pt. 5](#)

483 Determination of reduced rate for building societies and composite rate for banks etc.

F1512(1)

F1512(2)

F1512(3)

(4) If the order made under section 26 of the Finance Act 1984 in the year 1987-88 is made in pursuance of subsection (4) of that section, that order shall, notwithstanding that that subsection is not re-enacted by this Act, apply for the purposes of sections 476 and 479 for the year 1988-89.

F1512(5)

Textual Amendments

F1512S. 483(1)-(3)(5) repealed by [Finance Act 1990 \(c. 29\), Sch. 5 para. 12, Sch. 19 Part IV](#), Note 8

484 Savings banks: exemption from tax.

F1513

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F1513S. 484 repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996](#) (c. 8), [Sch. 14 para 29](#), [Sch. 41 Pt. 5\(3\)](#), Note (with Sch. 15)

485 Savings banks: supplemental.

F1514

Textual Amendments

F1514S. 485 repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996](#) (c. 8), [Sch. 14 para. 29](#), [Sch. 41 Pt. 5\(3\)](#), Note (with Sch. 15)

486 Industrial and provident societies and co-operative associations.

F1515

Textual Amendments

F1515S. 486 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010](#) (c. 4), [Sch. 1 para. 58](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

487 Credit unions.

F1516

Textual Amendments

F1516S. 487 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009](#) (c. 4), [Sch. 1 para. 164](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

488 Co-operative housing associations.

F1517

Textual Amendments

F1517S. 488 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010](#) (c. 4), [Sch. 1 para. 59](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

489 Self-build societies.

F1518

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1518S. 489 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 60, **Sch. 3 Pt. 1** (with Sch. 2)

490 Companies carrying on a mutual business or not carrying on a business.

F1519

Textual Amendments

F1519S. 490 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 61, **Sch. 3 Pt. 1** (with Sch. 2)

491 Distribution of assets of body corporate carrying on mutual business.

F1520

Textual Amendments

F1520S. 491 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 165, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

CHAPTER V

Modifications etc. (not altering text)

C33 Pt. 12 Ch. 5 modified (27.7.1999) by Finance Act 1999 (c. 16), **s. 98**

PETROLEUM EXTRACTION ACTIVITIES

492 Treatment of oil extraction activities etc. for tax purposes.

F1521

Textual Amendments

F1521S. 492 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 62, **Sch. 3 Pt. 1** (with Sch. 2)

493 Valuation of oil disposed of or appropriated in certain circumstances.

F1522

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1522S. 493 repealed (the repeal of s. 493(1)-(6) having effect for specified purposes only) (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 63, Sch. 3 Pts. 1, 2](#) (with [Sch. 2](#)); and s. 493(1)-(6) repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 181, Sch. 10 Pt. 6](#) (with [Sch. 9](#))

494 [^{F1523} **Loan relationships etc.**]

F1524

Textual Amendments

F1523S. 494 sidenote substituted (with effect in accordance with s. 38(7)-(13) of the amending Act) by virtue of [Finance \(No. 2\) Act 2005 \(c. 22\), s. 38\(5\)](#)

F1524Ss. 494-494A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 64, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1525} **494A Sale and lease-back.**

F1526

Textual Amendments

F1525S. 494AA inserted (with application in accordance with s. 100(2)(3) of the amending Act) by [Finance Act 1999 \(c. 16\), s. 100\(1\)](#)

F1526Ss. 494-494A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 64, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1527} **494A Computation of amount available for surrender by way of group relief.**

F1528

Textual Amendments

F1527S. 494A inserted (with effect in accordance with s. 38(2)(3) of the amending Act) by [Finance Act 1998 \(c. 36\), Sch. 5 para. 30](#) (with [Sch. 5 para. 73](#))

F1528Ss. 494-494A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 64, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

495 **Regional development grants.**

F1529

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1529S. 495 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 65, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and s. 495 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 182, Sch. 10 Pt. 6](#) (with [Sch. 9](#))

496 [^{F1530}**Tariff receipts and tax-exempt tariffing receipts**]

F1531

Textual Amendments

F1530S. 496 sidenote substituted (with effect in accordance with s. 285(7) of the amending Act) by virtue of [Finance Act 2004 \(c. 12\), Sch. 37 para. 11\(5\)](#)

F1531S. 496 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 66, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and s. 496 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 183, Sch. 10 Pt. 6](#) (with [Sch. 9](#))

[^{F1532}**496A**~~E~~**Exploration expenditure supplement**

Schedule 19B to this Act (exploration expenditure supplement) shall have effect.]

Textual Amendments

F1532S. 496A inserted (22.7.2004) by [Finance Act 2004 \(c. 12\), s. 286\(2\)](#)

[^{F1533}**496B**~~R~~**Ring fence expenditure supplement**

F1534]

Textual Amendments

F1533S. 496B inserted (19.7.2006) by [Finance Act 2006 \(c. 25\), s. 154\(2\)](#)

F1534S. 496B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 67, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

497 **Restriction on setting ACT against income from oil extraction activities etc.**

F1535

Textual Amendments

F1535S. 497 repealed (with effect in accordance with Sch. 3 para. 29(2) of the repealing Act) by [Finance Act 1998 \(c. 36\), Sch. 3 para. 29\(1\), Sch. 27 Pt. 3\(2\)](#), Note

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

498 Limited right to carry back surrendered ACT.

F1536

Textual Amendments

F1536S. 498 repealed (with effect in accordance with Sch. 3 para. 30(2) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 30(1), [Sch. 27 Pt. 3\(2\)](#), Note (with Sch. 3 para. 30(3))

499 Surrender of ACT where oil extraction company etc. owned by a consortium.

F1537

Textual Amendments

F1537S. 499 repealed (with effect in accordance with Sch. 3 para. 31(2) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 31(1), [Sch. 27 Pt. 3\(2\)](#), Note

500 Deduction of PRT in computing income for corporation tax purposes.

F1538

Textual Amendments

F1538Ss. 500-501B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), Sch. 1 para. 68, [Sch. 3 Pt. 1](#) (with Sch. 2)

501 Interest on repayment of PRT.

F1539

Textual Amendments

F1539Ss. 500-501B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), Sch. 1 para. 68, [Sch. 3 Pt. 1](#) (with Sch. 2)

[^{F1540}501A Supplementary charge in respect of ring fence trades

F1541]

Textual Amendments

F1540S. 501A inserted (24.7.2002) by [Finance Act 2002 \(c. 23\)](#), [ss. 91, 93](#)

F1541Ss. 500-501B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), Sch. 1 para. 68, [Sch. 3 Pt. 1](#) (with Sch. 2)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F1542}**501B** Assessment, recovery and postponement of supplementary charge

^{F1543}

Textual Amendments

F1542S. 501B inserted (24.7.2002) by Finance Act 2002 (c. 23), ss. 92(1), 93

F1543Ss. 500-501B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 68, Sch. 3 Pt. 1 (with Sch. 2)

502 Interpretation of Chapter V.

^{F1544}

Textual Amendments

F1544S. 502 repealed (the repeal of s. 502(1)(2) having effect for specified purposes only) (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 69, Sch. 3 Pts. 1, 2 (with Sch. 2); and s. 502(1)(2) repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 184, Sch. 10 Pt. 6 (with Sch. 9)

[^{F1545}**CHAPTER 5A**

SPECIAL RULES FOR LONG FUNDING LEASES OF PLANT OR MACHINERY: CORPORATION TAX

Textual Amendments

F1545Pt. 12 Ch. 5A (ss. 502A-502L) inserted (with effect in accordance with Sch. 8 para. 15 of the amending Act) by Finance Act 2006 (c. 25), Sch. 8 para. 11

Introductory

502A Scope of Chapter 5A

^{F1546}

Textual Amendments

F1546Pt. 12 Ch. 5A (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 70, Sch. 3 Pt. 1 (with Sch. 2)

Lessors under long funding finance leases

502B Lessor under long funding finance lease: rental earnings

^{F1547}

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1547[Pt. 12 Ch. 5A](#) (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 70, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

502C Lessor under long funding finance lease: exceptional items

F1548

Textual Amendments

F1548[Pt. 12 Ch. 5A](#) (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 70, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

502D Lessor under long funding finance lease making termination payment

F1549

Textual Amendments

F1549[Pt. 12 Ch. 5A](#) (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 70, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Lessors under long funding operating leases

502E Lessor under long funding operating lease: periodic deduction

F1550

Textual Amendments

F1550[Pt. 12 Ch. 5A](#) (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 70, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

502F Long funding operating lease: lessor's additional expenditure

F1551

Textual Amendments

F1551[Pt. 12 Ch. 5A](#) (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 70, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

502G Lessor under long funding operating lease: termination of lease

F1552

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1552Pt. 12 Ch. 5A (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 70](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F1553}Lessors under long funding finance or operating leases: avoidance etc

Textual Amendments

F1553S. 502GA and preceding cross-heading inserted (with effect in accordance with [Sch. 20 para. 9\(5\)](#) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 20 para. 9\(2\)](#)

502GA Cases where ss. 502B to 502G do not apply: plant or machinery held as trading stock

F1554

Textual Amendments

F1554Pt. 12 Ch. 5A (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 70](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F1555}502GB Cases where ss. 502B to 502G do not apply: lessor also lessee under non-long funding lease

F1556]

Textual Amendments

F1555S. 502GB inserted (with effect in accordance with [Sch. 20 para. 9\(6\)](#) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 20 para. 9\(3\)](#)

F1556Pt. 12 Ch. 5A (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 70](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F1557}502GC Cases where ss. 502B to 502G do not apply: other avoidance

F1558]

Textual Amendments

F1557S. 502GC inserted (with effect in accordance with [Sch. 20 para. 9\(7\)](#) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 20 para. 9\(4\)](#)

F1558Pt. 12 Ch. 5A (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 70](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Cases where ss 502B to 502G do not apply: films
502GD]]

Textual Amendments

F1559S. 502GD inserted (with effect in accordance with [Sch. 33 para. 3](#) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 33 para. 1](#)

F1560Pt. 12 Ch. 5A (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 70](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Insurance company as lessor

502H Insurance company as lessor

F1561

Textual Amendments

F1561S. 502H omitted (with effect in accordance with [Sch. 17 para. 17\(12\)](#) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 17 para. 17\(10\)\(11\)\(b\)](#)

Lessees under long funding finance leases

502I Lessee under long funding finance lease: limit on deductions

F1562

Textual Amendments

F1562Pt. 12 Ch. 5A (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 70](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

502J Lessee under long funding finance lease: termination

F1563

Textual Amendments

F1563Pt. 12 Ch. 5A (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 70](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Lessees under long funding operating leases

502K Lessee under long funding operating lease

F1564

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1564Pt. 12 Ch. 5A (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 70, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Interpretation of Chapter

502L Interpretation of this Chapter

F1565]

Textual Amendments

F1565Pt. 12 Ch. 5A (ss. 502A-502L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 70, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

CHAPTER VI

MISCELLANEOUS BUSINESSES AND BODIES

**[^{F1567}503 Letting of furnished holiday accommodation treated as a trade for certain
^{F1566}corporation tax] purposes.**

F1568]

Textual Amendments

F1566Words in s. 503 sidenote inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 195\(5\)](#) (with [Sch. 2](#))
F1567S. 503 substituted (with effect in accordance with s. 38(2)(3) of the amending Act) by [Finance Act 1998 \(c. 36\), Sch. 5 para. 42](#) (with [Sch. 5 para. 73](#))
F1568S. 503 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 71, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

504 Supplementary provisions.

F1569

Textual Amendments

F1569S. 504 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 173, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

**[^{F1570}504 Letting of furnished holiday accommodation treated as trade for certain income
tax purposes**

F1571]

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F1570S. 504A inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 197](#) (with [Sch. 2](#))

F1571S. 504A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 93](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

505 [^{F1572}Charitable companies]: general.

F1573

Textual Amendments

F1572Words in s. 505 sidenote substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 94\(10\)](#) (with [Sch. 2](#))

F1573S. 505 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 72](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

506 [^{F1574}Charitable and non-charitable expenditure]

F1575

Textual Amendments

F1574S. 506(3) heading substituted (with effect in accordance with s. 55(5) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [s. 55\(2\)\(g\)](#)

F1575S. 506 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 73](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1576}506A] Transactions with substantial donors

F1577

Textual Amendments

F1576Ss. 506A-506C inserted (with effect in accordance with s. 54(2)(3) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [s. 54\(1\)](#)

F1577S. 506A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 74](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

506B Section 506A: exceptions

F1578

Textual Amendments

F1576Ss. 506A-506C inserted (with effect in accordance with s. 54(2)(3) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [s. 54\(1\)](#)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

F1578S. 506B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 75, **Sch. 3 Pt. 1** (with Sch. 2)

506C Sections 506A and 506B: supplemental

F1579]

Textual Amendments

F1576Ss. 506A-506C inserted (with effect in accordance with s. 54(2)(3) of the amending Act) by Finance Act 2006 (c. 25), **s. 54(1)**

F1579S. 506C repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 76, **Sch. 3 Pt. 1** (with Sch. 2)

507 The National Heritage Memorial Fund, the Historic Buildings and Monuments Commission for England and the British Museum.

F1580

Textual Amendments

F1580S. 507 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 77, **Sch. 3 Pt. 1** (with Sch. 2)

508 Scientific research organisations.

F1581

Textual Amendments

F1581S. 508 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 78, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F1582}508A Investment trusts investing in housing.

F1583

Textual Amendments

F1582Ss. 508A, 508B inserted (with effect in accordance with Sch. 30 para. 3 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 30 para. 1**

F1583Ss. 508A, 508B repealed (with effect in accordance with s. 145(2) of the repealing Act) by Finance Act 2006 (c. 25), s. 143(a), **Sch. 26 Pt. 4**

508B Interpretation of section 508A.

F1584]

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F1582Ss. 508A, 508B inserted (with effect in accordance with [Sch. 30 para. 3](#) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 30 para. 1](#)

F1584Ss. 508A, 508B repealed (with effect in accordance with s. 145(2) of the repealing Act) by [Finance Act 2006 \(c. 25\)](#), s. 143(a), [Sch. 26 Pt. 4](#)

^{F1585}**508A Contemplative religious communities: profits exempt from corporation tax**

- (1) Subsection (2) applies in a case where members of a qualifying contemplative religious community transfer all their income and assets, or covenant all their income, to the community (“the independent community”) (and for this purpose it is irrelevant whether or not the community is part of an order or religious institution).
- (2) As respects each chargeable period of the independent community, and each person who is a qualifying member of the independent community at any time in that period, the independent community shall be treated for the purposes of corporation tax as if an amount of its profits for the chargeable period equal to the relevant amount (see subsections (5) to (7)) were income of the qualifying member.
- (3) Subsection (4) applies in a case where—
 - (a) one or more qualifying contemplative religious communities (“constituent communities”) are part of an order or religious institution (“the parent body”), and
 - (b) members of the constituent communities transfer all their income and assets, or covenant all their income, to the parent body.
- (4) As respects each chargeable period of the parent body, and each person who is a qualifying member of a constituent community at any time in that period, the parent body shall be treated for the purposes of corporation tax as if an amount of its profits for the chargeable period equal to the relevant amount (see subsections (5) to (7)) were income of the qualifying member.
- (5) For the purposes of subsections (2) and (4), the relevant amount, in relation to a chargeable period, is the amount of the annual personal allowance for persons ^{F1586}born after 5 April 1948] (see section 35 of ITA 2007) for—
 - (a) the tax year which begins in the chargeable period, or
 - (b) if no tax year begins in the chargeable period, the tax year which is current when the chargeable period begins.
- (6) But, if the chargeable period is less than 12 months, the relevant amount is—

$$\frac{P}{365} \times A$$

where—

P is the number of days in the chargeable period;

A is the amount determined under subsection (5) in relation to the chargeable period.

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- (7) If, during the chargeable period, an individual ceases to be a qualifying member of the independent community or a constituent community (otherwise than on death), the relevant amount, in relation to the chargeable period and that qualifying member, is—

$$\frac{Q}{P} \times B$$

where—

Q is the number of days in the chargeable period for which the individual is a qualifying member of the independent community or constituent community;

P is the number of days in the chargeable period;

B is the amount determined under subsection (5), or subsections (5) and (6), in relation to the chargeable period.

- (8) So far as the exemption from corporation tax conferred by this section calls for repayment of tax, no repayment shall be made except on a claim made by the independent community or parent body.

- (9) In a case where a member of an independent community or constituent community—

(a) has transferred or covenanted income to the community (in the case of an independent community) or the parent body (in the case of a constituent community), and

(b) has income for a tax year which does not exceed 20% of the annual personal allowance for persons [^{F1586}born after 5 April 1948] (see section 35 of ITA 2007) for that tax year,

the member is, for the purposes of this section, to be taken to have transferred or covenanted all his or her income for that tax year to the community or parent body.

- (10) For the purposes of this section a contemplative religious community is a “qualifying” contemplative religious community if—

(a) the community is established in the United Kingdom,

(b) the members of the community live and practise their religion in a communal establishment, and

(c) the community is not a charity, but the religion that is professed by the members of the community does not prevent the community from being a charity.

- (11) In this section—

“member”, in relation to a religious community, means an individual who—

(a) is living in the community, and

(b) has taken vows or made equivalent commitments (whether probationary or not);

“qualifying member”, in relation to a religious community, means a member of the community who—

(a) has been a member of the community for a period of at least six months, and

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- (b) has transferred all his or her income and assets, or covenanted all his or her income, to the community (in the case of an independent community) or the parent body (in the case of a constituent community).

Textual Amendments

F1585 Ss. 508A, 508B inserted (1.4.2010 with effect in accordance with art. 6(2) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2010 (S.I. 2010/157), arts. 1, 6(1)

F1586 Words in s. 508A(5)(9)(b) substituted (with effect in accordance with s. 4(8) of the amending Act) by Finance Act 2012 (c. 14), s. 4(7)

508B Contemplative religious communities: gains exempt from corporation tax

- (1) Subsection (2) applies if, as respects a chargeable period—
 - (a) section 508A(2) applies in relation to an independent community,
 - (b) the profits of the independent community in the chargeable period are less than the total of the amounts that fall to be treated as income of the qualifying members of the community in accordance with section 508A(2), and
 - (c) the independent community has chargeable gains in the chargeable period.
- (2) As respects the chargeable period and each qualifying member of the independent community, the community shall be treated for the purposes of corporation tax as if the relevant amount of its chargeable gains for that period were income of the qualifying member.
- (3) Subsection (4) applies if, as respects a chargeable period—
 - (a) section 508A(4) applies in relation to a parent body,
 - (b) the profits of the parent body in the chargeable period are less than the total of the amounts that fall to be treated as income of the qualifying members of the constituent communities in accordance with section 508A(4), and
 - (c) the parent body has chargeable gains in the chargeable period.
- (4) As respects the chargeable period and each qualifying member of a constituent community, the parent body shall be treated for the purposes of corporation tax as if the relevant amount of its chargeable gains for that period were income of the qualifying member.
- (5) For the purposes of subsections (2) and (4), the relevant amount, in relation to a qualifying member of the independent community or a constituent community, is the smaller of—
 - (a) the shortfall in profits, and
 - (b) the average gain.
- (6) The shortfall in profits is the difference between—
 - (a) the relevant amount determined under section 508A(5) to (7) in relation to the qualifying member, and
 - (b) the amount that has actually been treated as the income of the qualifying member.
- (7) The average gain is—

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

$$\frac{G}{N}$$

where—

G is the amount of the chargeable gains which the independent community or parent body has in the chargeable period;

N is the number calculated by adding together the relevant value for each qualifying member of the independent community or constituent communities who, under section 508A(2) or (4), falls to be treated as having income.

(8) For the purposes of calculating “N” in subsection (7)—

- (a) the relevant value for a qualifying member is 1;
- (b) but, if section 508A(7) applies in relation to the qualifying member, the relevant value for that member is—

$$1 \times \frac{Q}{P}$$

where Q and P have the same meanings as in section 508A(7).

(9) So far as the exemption from corporation tax conferred by this section calls for repayment of tax, no repayment shall be made except on a claim made by the independent community or parent body.]

Textual Amendments

F1585Ss. 508A, 508B inserted (1.4.2010 with effect in accordance with art. 6(2) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2010 (S.I. 2010/157), arts. 1, 6(1)

509 Reserves of marketing boards and certain other statutory bodies.

F1587

Textual Amendments

F1587S. 509 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 176, Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

510 Agricultural societies.

F1588

Textual Amendments

F1588S. 510 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 79, Sch. 3 Pt. 1 (with Sch. 2)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F1589}510 European economic interest groupings.

^{F1590}]

Textual Amendments
F1589S. 510A inserted (retrospective to 1.7.1989) by [Finance Act 1990 \(c. 29\), Sch. 11 paras. 1, 5](#)
F1590S. 510A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 80, Sch. 3 Pt. 1 \(with Sch. 2\)](#)

511 The Electricity Council and Boards, the Northern Ireland Electricity Service and the Gas Council.

- (1) ^{F1591}
- (2) ^{F1591}
- (3) ^{F1591}
- ^{F1592}(4)
- ^{F1592}(5)
- (6) ^{F1591}
- (7) ^{F1593}

Textual Amendments
F1591S. 511(1)-(3)(6) repealed (9.11.2001) by [Electricity Act 1989 \(c. 29\), s. 113\(2\), Sch. 18; S.I. 2001/3419, art. 2](#)
F1592S. 511(4)(5) repealed (1.4.1992) by [S.I. 1992/231 \(N.I. 1\), art. 95\(4\), Sch.14; S.R. 1992/117, art. 3\(1\)](#)
F1593S. 511(7) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 81, Sch. 3 Pt. 1 \(with Sch. 2\)](#)

512 Atomic Energy Authority and National Radiological Protection Board.

^{F1594}

Textual Amendments
F1594S. 512 repealed (with effect in accordance with s. 46(4)(c)-(e) of the repealing Act) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 46\(2\)\(c\)\(d\), Sch. 11 Pt. 2\(12\), Note \(with s. 46\(7\)\); and s. 512\(2\) repealed \(6.4.2006\) by Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3, Note \(with Sch. 36\)](#)

513 British Airways Board and National Freight Corporation.

^{F1595}

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Textual Amendments

F1595S. 513 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 82, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

514 Funds for reducing the National Debt.

F1596

Textual Amendments

F1596S. 514 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 200, Sch. 3](#) (with [Sch. 2](#))

515 Signatories to Operating Agreement for INMARSAT.

F1597

Textual Amendments

F1597S. 515 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 102, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

516 Government securities held by non-resident central banks.

F1598

Textual Amendments

F1598S. 516 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 103, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

517 Issue departments of the Reserve Bank of India and the State Bank of Pakistan.

F1599

Textual Amendments

F1599S. 517 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 83, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

518 Harbour reorganisation schemes.

F1600

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1600S. 518 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 84, **Sch. 3 Pt. 1** (with Sch. 2)

519 Local authorities.

F1601

Textual Amendments

F1601S. 519 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 85, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F1602}**519A Health service bodies.**

F1603]

Textual Amendments

F1602S. 519A inserted (17.9.1990) by National Health Service and Community Care Act 1990 (c. 19), **ss. 61(1), 67(2)**; S.I. 1990/1329, art. 2(5)(a), **Sch. 2**

F1603S. 519A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 86, **Sch. 3 Pt. 1** (with Sch. 2)

PART XIII

MISCELLANEOUS SPECIAL PROVISIONS

CHAPTER I

INTELLECTUAL PROPERTY

Modifications etc. (not altering text)

C34 Pt. 13 Ch. 1 modified (8.11.1995) by Atomic Energy Authority Act 1995 (c. 37), **Sch. 3 para. 20**

Patents and know-how

520 Allowances for expenditure on purchase of patent rights: post-31st March 1986 expenditure.

F1604

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1604Ss. 520-523 repealed (with effect in accordance with s. 579 of the repealing Act) by [Capital Allowances Act 2001 \(c. 2\), Sch. 2 para. 44, Sch. 4](#)

521 Provisions supplementary to section 520.

F1605

Textual Amendments

F1605Ss. 520-523 repealed (with effect in accordance with s. 579 of the repealing Act) by [Capital Allowances Act 2001 \(c. 2\), Sch. 2 para. 44, Sch. 4](#)

522 Allowances for expenditure on purchase of patent rights: pre-1st April 1986 expenditure.

F1606

Textual Amendments

F1606Ss. 520-523 repealed (with effect in accordance with s. 579 of the repealing Act) by [Capital Allowances Act 2001 \(c. 2\), Sch. 2 para. 44, Sch. 4](#)

523 Lapses of patent rights, sales etc.

F1607

Textual Amendments

F1607Ss. 520-523 repealed (with effect in accordance with s. 579 of the repealing Act) by [Capital Allowances Act 2001 \(c. 2\), Sch. 2 para. 44, Sch. 4](#)

524 Taxation of receipts from sale of patent rights.

F1608

Textual Amendments

F1608S. 524 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 179, Sch. 3 Pt. 1 \(with Sch. 2 Pts. 1, 2\)](#)

525 Capital sums: ^{F1609} . . . winding up or partnership change.

F1610

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

- F1609** Word in s. 525 sidenote omitted (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by virtue of [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 202\(5\)](#) (with [Sch. 2](#))
- F1610** S. 525 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 180](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

526 Relief for expenses.

F1611

Textual Amendments

- F1611** S. 526 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 181](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

527 Spreading of royalties over several years.

[^{F1612M72}(1) Where—

- (a) a royalty or other sum is paid to a company in respect of the user of a patent,
- (b) the user extended over a period of six complete years or more, and
- (c) the payment is one from which a sum representing income tax must be deducted under section 903 of ITA 2007,

the company may on the making of a claim require that the corporation tax payable by it by reason of the receipt of that sum shall be reduced so as not to exceed the total amount of corporation tax which would have been payable by it if that royalty or sum had been paid in six equal instalments at yearly intervals, the last of which was paid on the date on which the payment was in fact made.]

(2) Subsection (1) above shall apply in relation to a royalty or other sum where the period of the user is two complete years or more but less than six complete years as it applies to the royalties and sums mentioned in that subsection, but with the substitution for the reference to six equal instalments of a reference to so many equal instalments as there are complete years comprised in that period.

(3) ^{F1613}

(4) ^{F1614}

Textual Amendments

- F1612** S. 527(1) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 108\(2\)](#) (with [Sch. 2](#))
- F1613** S. 527(3) repealed (with effect in accordance with Sch. 14 Pt. 8 Note 5 of the repealing Act) by [Finance Act 1988 \(c. 39\)](#), [Sch. 14 Pt. 8](#)
- F1614** S. 527(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 108\(3\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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Marginal Citations

M72 Source - 1970 s.384

528 Manner of making allowances and charges.

F1615

Textual Amendments

F1615S. 528 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 182, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

529 Patent income to be earned income in certain cases.

F1616

Textual Amendments

F1616S. 529 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 206, Sch. 3](#) (with [Sch. 2](#))

530 Disposal of know-how.

F1617

Textual Amendments

F1617S. 530 repealed (with effect in accordance with s. 579 of the repealing Act) by [Capital Allowances Act 2001 \(c. 2\), Sch. 2 para. 47, Sch. 4](#)

531 Provisions supplementary to section 530.

F1618

Textual Amendments

F1618S. 531 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 183, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

532 Application of Capital Allowances Act

F1619

Textual Amendments

F1619S. 532 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 184, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

533 Interpretation of sections 520 to 532.

F1620

Textual Amendments

F1620S. 533 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 185, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

Copyright and public lending right

534 Relief for copyright payments etc.

F1621

Textual Amendments

F1621S. 534 repealed (with effect in accordance with s. 71(3) of the repealing Act) by [Finance Act 2001 \(c. 9\), Sch. 33 Pt. 2\(6\)](#)

535 Relief where copyright sold after ten years or more.

F1622

Textual Amendments

F1622S. 535 repealed (with effect in accordance with s. 71(3) of the repealing Act) by [Finance Act 2001 \(c. 9\), Sch. 33 Pt. 2\(6\)](#)

536 Taxation of royalties where owner abroad.

F1623

Textual Amendments

F1623Ss. 536, 537, 537B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 110, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

537 Public lending right.

F1624

Textual Amendments

F1624Ss. 536, 537, 537B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 110, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F¹⁶²⁵ Designs

Textual Amendments

F1625Ss. 537A, 537B and preceding cross-heading inserted (1.8.1989) by [Intellectual Property Act 1988](#) (c. 48), [Sch. 7 para. 36\(6\)](#); S.I. 1989/816, [art. 2](#)

537A Relief for payments in respect of designs.

F1626

Textual Amendments

F1626S. 537A repealed (with effect in accordance with s. 71(3) of the repealing Act) by [Finance Act 2001](#) (c. 9), [Sch. 33 Pt. 2\(6\)](#)

537B Taxation of design royalties where owner abroad.

F1627]

Textual Amendments

F1627Ss. 536, 537, 537B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007](#) (c. 3), [Sch. 1 para. 110](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Artists' receipts

538 Relief for painters, sculptors and other artists.

F1628

Textual Amendments

F1628S. 538 repealed (with effect in accordance with s. 71(3) of the repealing Act) by [Finance Act 2001](#) (c. 9), [Sch. 33 Pt. 2\(6\)](#)

CHAPTER II

LIFE POLICIES, LIFE ANNUITIES AND CAPITAL REDEMPTION POLICIES

Modifications etc. (not altering text)

C35 Pt. 13 Ch. 2 restricted (with effect in accordance with s. 105(1) of the affecting Act) by [Finance Act 1996](#) (c. 8), [Sch. 13 para. 3\(2\)](#) (with [Sch. 13 para. 16](#))

C36 Pt. 13 Ch. 2 applied (with modifications) (6.4.1999) by [The Individual Savings Account Regulations 1998](#) (S.I. 1998/1870), [regs. 35\(7\)](#), [36\(3\)-\(7\)](#) (as amended by [The Individual Savings Account \(Amendment\) Regulations 1998](#) (S.I. 1998/3174), [reg. 12](#))

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- C37** Pt. 13 Ch. 2 applied (with modifications) (6.4.1999 with effect in accordance with reg. 1 of the affecting S.I.) by [The Personal Portfolio Bonds \(Tax\) Regulations 1999 \(S.I. 1999/1029\)](#), **reg. 6(2)-(8)** (as amended (6.4.2002) by [The Personal Portfolio Bonds \(Tax\) \(Amendment\) Regulations 2002 \(S.I. 2002/455\)](#), **regs. 1, 2**)
- C38** Pt. 13 Ch. 2 modified (9.4.2003) by [Finance Act 2003 \(c. 14\)](#), s. 171(1)(3), **Sch. 34 para. 3**
- C39** Pt. 13 Ch. 2 modified (9.4.2003) by [Finance Act 2003 \(c. 14\)](#), s. 171(1)(3), **Sch. 34 para. 15**
- C40** Pt. 13 Ch. 2 modified (6.4.2005) by [The Child Trust Funds Regulations 2004 \(S.I. 2004/1450\)](#), **regs. 1, 2(1), 38(3)-(8)**; S.I. 2004/3369, **art. 2(1)**
- C41** Pt. 13 Ch. 2 modified (20.7.2005) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), **Sch. 7 para. 14(5)-(7)**
- C42** Pt. 13 Ch. 2 modified (with effect in accordance with Sch. 13 para. 5 of the modifying Act) by [Finance Act 2008 \(c. 9\)](#), **Sch. 13 para. 6**

539 Introductory.

F1629

Textual Amendments

F1629Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 14 para. 3**

[^{F1630}**539ZA** **Application of this Chapter etc. to policies and contracts in which persons other than companies are interested**

F1631]

Textual Amendments

F1630S. 539ZA inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), **Sch. 1 para. 211** (with Sch. 2)
F1631Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 14 para. 3**

[^{F1632}**539A** **The conditions for being an excepted group life policy**

F1633]

Textual Amendments

F1632S. 539A inserted (9.4.2003) by [Finance Act 2003 \(c. 14\)](#), s. 171(1)(3), **Sch. 34 para. 2**
F1633Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), **Sch. 14 para. 3**

540 Life policies: chargeable events.

F1634

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.....

Textual Amendments

F1634Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

541 Life policies: computation of gain.

F1635

.....

Textual Amendments

F1635Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

542 Life annuity contracts: chargeable events.

F1636

.....

Textual Amendments

F1636Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

543 Life annuity contracts: computation of gain.

F1637

.....

Textual Amendments

F1637Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

544 Second and subsequent assignment of life policies and contracts.

F1638

.....

Textual Amendments

F1638Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

545 Capital redemption policies.

F1639

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Textual Amendments

F1639Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

546 Calculation of certain amounts for purposes of sections 540, 542 and 545.

F1640

Textual Amendments

F1640Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

[^{F1641}546A Treatment of certain assignments etc involving co-ownership

F1642]

Textual Amendments

F1641S. 546A inserted (with effect in accordance with s. 83(2) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 28 para. 9](#)

F1642Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

[^{F1643}546B Special provision in respect of certain section 546 excesses

F1644

Textual Amendments

F1643Ss. 546B-546D inserted (with effect in accordance with s. 83(2) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 28 para. 10](#)

F1644Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

546C Charging the section 546 excess to tax where section 546B applies

F1645

Textual Amendments

F1643Ss. 546B-546D inserted (with effect in accordance with s. 83(2) of the amending Act) by [Finance Act 2001 \(c. 9\)](#), [Sch. 28 para. 10](#)

F1645Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

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546D Modifications of s.546C for final year ending with terminal chargeable event

F1646]

Textual Amendments

F1643Ss. 546B-546D inserted (with effect in accordance with s. 83(2) of the amending Act) by Finance Act 2001 (c. 9), Sch. 28 para. 10

F1646Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

547 Method of charging gain to tax.

F1647]

Textual Amendments

F1647Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

[^{F1648}547] Method of charging gain to tax: multiple interests.

F1649]

Textual Amendments

F1648S. 547A inserted (with effect in accordance with Sch. 14 para. 7(5) of the amending Act) by Finance Act 1998 (c. 36), Sch. 14 para. 2

F1649Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

548 Deemed surrender of certain loans.

F1650]

Textual Amendments

F1650Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), Sch. 14 para. 3

[^{F1651}548] Effect of rebated or reinvested commission in certain cases

F1652]

Textual Amendments

F1651Ss. 548A, 548B inserted (with effect in accordance with s. 29(4) of the amending Act) by Finance Act 2007 (c. 11), s. 29(1)

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F1652 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 3**

548B Section 548A: further definitions

F1653]

Textual Amendments

F1651 Ss. 548A, 548B inserted (with effect in accordance with s. 29(4) of the amending Act) by Finance Act 2007 (c. 11), **s. 29(1)**

F1653 Ss. 539-551A omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 3**

549 Certain deficiencies allowable as deductions.

F1654

Textual Amendments

F1654 S. 549 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 219, **Sch. 3** (with Sch. 2)

550 Relief where gain charged at a higher rate.

F1655

Textual Amendments

F1655 S. 550 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 220, **Sch. 3** (with Sch. 2)

551 Right of individual to recover tax from trustees.

F1656

Textual Amendments

F1656 S. 551 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 221, **Sch. 3** (with Sch. 2)

[^{F1657}551] Right of company to recover tax from trustees.

F1658]

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Textual Amendments

F1657Ss. 551A inserted (with effect in accordance with [Sch. 14 para. 7\(5\)](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 14 para. 3](#)

F1658Ss. 539-551A omitted (with effect in accordance with [Sch. 14 para. 18\(1\)](#) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 3](#)

[^{F1659}552]Information: duty of insurers.

- (1) Where a chargeable event ^{F1660} . . . has happened in relation to any policy or contract, the body by or with whom the policy or contract was issued, entered into or effected shall—
 - (a) unless satisfied that no gain is to be treated as arising by reason of the event, deliver to the appropriate policy holder before the end of the relevant three month period a certificate specifying the information described in subsection (5) below; and
 - (b) if the condition in paragraph (a) or (b) of subsection (2) below is satisfied, deliver to the inspector before the end of the relevant three month period a certificate specifying the information described in subsection (5) below together with the name and address of the appropriate policy holder.
- (2) For the purposes of this section—
 - (a) the condition in this paragraph is that the event is an assignment for money or money's worth of the whole of the rights conferred by the policy or contract; or
 - (b) the condition in this paragraph is that the amount of the gain, or the aggregate amount of the gain and any gains connected with it, exceeds one half of the basic rate limit for the relevant year of assessment.
- (3) If, in the case of every certificate which a body delivers under subsection (1)(a) above which relates to a gain attributable to a year of assessment ^{F1661} . . . , the body also delivers to the inspector—
 - (a) before the end of the relevant three month period for the purposes of subsection (1)(b) above,
 - (b) by a means prescribed by the Board for the purposes of this subsection under section 552ZA(5), and
 - (c) in a form so prescribed in the case of that means,
 a certificate specifying the same information as the certificate under subsection (1)(a) together with the name and address of the appropriate policy holder, the body shall be taken to have complied with the requirements of subsection (1)(b) above in relation to that year of assessment ^{F1662} . . . so far as relating to the chargeable events to which the certificates relate.
- (4) Where a certificate is not required to be delivered under subsection (1)(b) above in the case of any chargeable event—
 - (a) the inspector may by notice require the body to deliver to him a copy of any certificate that the body was required to deliver under subsection (1)(a) above which relates to the chargeable event; and
 - (b) it shall be the duty of the body to deliver such a copy within 30 days of receipt of the notice.

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- (5) The information to be given to the appropriate policy holder pursuant to subsection (1) (a) above or the inspector pursuant to subsection (1)(b) above is—
- (a) any unique identifying designation given to the policy or contract;
 - (b) the nature of the chargeable event and—
 - (i) the date on which it happened; and
 - (ii) if it is a chargeable event by virtue of ^{F1663} . . . [^{F1664}section 514(1) of ITTOIA 2005 (chargeable events where transaction-related calculations show gains), the date on which [^{F1665}the insurance year ends];]
 - (c) if the event is the assignment of all the rights conferred by the policy or contract, such of the following as may be required for computing the amount of the gain to be treated as arising by virtue of ^{F1666} . . . [^{F1667}Chapter 9 of Part 4 of ITTOIA 2005]—
 - (i) ^{F1668} . . . [^{F1669}the amount or value of any capital sums of a kind referred to in section 492(1)(b) to (e) of ITTOIA 2005];
 - (ii) the amounts previously paid under the policy or contract by way of premiums or otherwise by way of consideration for an annuity;
 - (iii) ^{F1670} . . . [^{F1671}the amount of so much of any payment previously made on account of an annuity as is exempt under section 717 of ITTOIA 2005];
 - (iv) the value of any previously assigned parts of or shares in the rights conferred by the policy or contract;
 - (v) ^{F1672} . . . [^{F1673}the total of the amounts of gains treated as arising on previous chargeable events within section 509(1) or 514(1) of ITTOIA 2005];
 - (d) except where paragraph (c) above applies, the amount of the gain treated as arising by reason of the event;
 - ^{F1674}(e) the number of years relevant for computing the annual equivalent of the amount of the gain for the purposes of subsection (1) of section 536 of ITTOIA 2005 (top slicing relieved liability: one chargeable event), apart from subsections (6) and (8) of that section;]
 - ^{F1675}(f) on the assumption that section 465 of ITTOIA 2005 (person liable: individuals) has effect in relation to the gain —
 - (i) whether an individual would fall to be treated as having paid income tax at the [^{F1676}basic rate] on the amount of the gain in accordance with section 530 of that Act; and
 - (ii) if so, except in a case where paragraph (c) above applies, the amount of such tax that would fall to be so treated as paid.]
- (6) For the purposes of subsection (1)(a) above, the relevant three month period is whichever of the following periods ends the latest—
- (a) the period of three months following the happening of the chargeable event;
 - (b) if the event is a surrender or assignment which is a chargeable event by virtue of ^{F1677} . . . [^{F1678}section 514(1) of ITTOIA 2005 ^{F1679} . . .], the period of three months following the end of [^{F1680}the insurance year] in which the event happens;
 - (c) if the event is a death or an assignment of the whole of the rights or a surrender or assignment which is a chargeable event by virtue of ^{F1681} . . .

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[^{F1682}section 514(1) of ITTOIA 2005 ^{F1681}. . .], the period of three months beginning with receipt of written notification of the event.

(7) For the purposes of subsection (1)(b) above, the relevant three month period is whichever of the following periods ends the latest—

- (a) the period of three months following the end of the year of assessment ^{F1683}. . . in which the event happened;
- (b) if the event is a surrender or assignment which is a chargeable event by virtue of [^{F1684}section 514(1) of ITTOIA 2005, the period of three months following the end of the insurance year] in which the event happens;
- (c) if the event is a death or an assignment, the period of three months beginning with receipt of written notification of the event;
- (d) if a certificate under subsection (1)(b) above would not be required in respect of the event apart from the happening of another event, and that other event is one of those mentioned in paragraph (c) above, the period of three months beginning with receipt of written notification of that other event.

(8) For the purposes of this section the cases where a gain is connected with another gain are those cases where—

- (a) both gains arise in connection with policies or contracts containing obligations which, immediately before the chargeable event, were obligations of the same body;
- (b) the policy holder of those policies or contracts is the same;
- (c) both gains are attributable to the same year of assessment ^{F1685}. . . ;
- (d) the terms of the policies or contracts are the same, apart from any difference in their maturity dates; and
- (e) the policies or contracts were issued in respect of insurances made, or were entered into or effected, on the same date.

(9) For the purposes of this section, the year of assessment ^{F1686}. . . to which a gain is attributable is—

- (a) in the case of a gain treated as arising by virtue of [^{F1687}subsection (1) of section 514 of ITTOIA 2005, the year of assessment which includes the end of the insurance year mentioned in subsection (3) and (4) of that section;] or
- (b) in any other case, the year of assessment ^{F1688}. . . in which happens the chargeable event by reason of which the gain is treated as arising.

(10) In this section—

“amount”, in relation to any gain, means the amount of the gain apart from ^{F1689}. . . [^{F1690}section 528 of ITTOIA 2005];

“appropriate policy holder” means—

- (a) in relation to an assignment of part of or a share in the rights conferred by a policy or contract, any person who is both—
 - (i) the policy holder, or one of the policy holders, immediately before the assignment; and
 - (ii) the assignor or one of the assignors; and
- (b) in relation to any other chargeable event, the person who is the policy holder immediately before the happening of the event;

[^{F1691}“chargeable event” means an event which is a chargeable event within the meaning of ^{F1692}. . . Chapter 9 of Part 4 of ITTOIA 2005;]

^{F1693}

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[^{F1694cc}“insurance year” has the same meaning as in Chapter 9 of Part 4 of ITTOIA 2005 (see section 499 of that Act);]

“the relevant year of assessment”, in the case of any gain, means—

- (a) the year of assessment to which the gain is attributable, ^{F1695} . . .
- (b) ^{F1695}
- ^{F1696}
- ^{F1696}

(11) ^{F1697}

(12) This section is supplemented by section 552ZA.

[^{F1698}[^{F1699}(13) For the purposes of this section—

- (a) section 491(2) of ITTOIA 2005 is taken to have effect as if, in the definition of “PG”, the words from “but” to the end were omitted, and
- (b) no account is to be taken of the effect of [^{F1700}section 465B or 541A] of that Act.]]

[^{F1701}(14) For the purposes of this section no account is to be taken of the effect of sections 528 and 528A of ITTOIA 2005.]]

Textual Amendments

F1659Ss. 552, 552ZA substituted for s. 552 (with effect in accordance with s. 83(3) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 28 para. 18**

F1660Words in s. 552(1) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(2)**, **Sch. 3** (with **Sch. 2**)

F1661Words in s. 552(3) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(2)(a)**

F1662Words in s. 552(3) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(2)(b)**

F1663Words in s. 552(5)(b)(ii) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(a)(i)**

F1664Words in s. 552(5)(b)(ii) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(a)** (with **Sch. 2**)

F1665Words in s. 552(5)(b)(ii) substituted (with effect in accordance with **Sch. 14 para. 18** of the amending Act) by Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(a)(ii)**

F1666Words in s. 552(5)(c) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(b)(i)**

F1667Words in s. 552(5)(c) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(b)(i)** (with **Sch. 2**)

F1668Words in s. 552(5)(c)(i) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(b)(ii)**

F1669Words in s. 552(5)(c)(i) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(b)(ii)** (with **Sch. 2**)

F1670Words in s. 552(5)(c)(iii) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(b)(iii)**

F1671Words in s. 552(5)(c)(iii) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(b)(iii)** (with **Sch. 2**)

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- F1672** Words in s. 552(5)(c)(v) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(3)(b)(iv)**
- F1673** Words in s. 552(5)(c)(v) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(b)(iv)** (with Sch. 2)
- F1674** S. 552(5)(e) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(c)** (with Sch. 2)
- F1675** S. 552(5)(f) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(3)(d)** (with Sch. 2)
- F1676** Words in s. 552(5)(f)(i) substituted (with effect in accordance with Sch. 1 para. 65 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 1 para. 43**
- F1677** Words in s. 552(6)(b) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(4)(a)(i)**
- F1678** Words in s. 552(6)(b) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(4)(a)(i)** (with Sch. 2)
- F1679** Closing bracket in s. 552(6)(b) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(4)(a)(ii)**
- F1680** Words in s. 552(6)(b) substituted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 14 para. 4(4)(a)(iii)**
- F1681** Words and closing bracket in s. 552(6)(c) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(4)(b)**
- F1682** Words in s. 552(6)(c) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(4)(b)** (with Sch. 2)
- F1683** Words in s. 552(7)(a) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(5)(a)**
- F1684** Words in s. 552(7)(b) substituted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 14 para. 4(5)(b)**
- F1685** Words in s. 552(8)(c) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(6)**
- F1686** Words in s. 552(9) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(7)(a)**
- F1687** Words in s. 552(9)(a) substituted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 14 para. 4(7)(b)**
- F1688** Words in s. 552(9)(b) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(7)(c)**
- F1689** S. 552(10): words in definition of "amount" omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(a)**
- F1690** S. 552(10): words in definition of "amount" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(7)(a)** (with Sch. 2)
- F1691** S. 552(10): definition of "chargeable event" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 222(7)(b)** (with Sch. 2)
- F1692** S. 552(10): words in definition of "chargeable event" omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(b)**
- F1693** S. 552(10): definition of "financial year" omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(c)**
- F1694** S. 552(10): definition of "insurance year" inserted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(d)**
- F1695** S. 552(10): in definition of "the relevant year of assessment", para. (b) and preceding word omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(e)**

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- F1696S.** 552(10): definitions of "section 546 excess" and "year" omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(8)(f)**
- F1697S.** 552(11) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 4(9)**
- F1698S.** 552(13) inserted (with effect in accordance with s. 29(4) of the amending Act) by Finance Act 2007 (c. 11), **s. 29(2)**
- F1699S.** 552(13) substituted (with effect in accordance with s. 11(4)-(6) of the amending Act) by Finance Act 2011 (c. 11), **s. 11(3)**
- F1700** Words in s. 552(13) substituted (with effect in accordance with Sch. 45 para. 153(3) of the amending Act) by Finance Act 2013 (c. 29), **Sch. 45 para. 144**
- F1701S.** 552(14) inserted (with effect in accordance with Sch. 8 para. 7 of the amending Act) by Finance Act 2013 (c. 29), **Sch. 8 para. 6**

Modifications etc. (not altering text)

- C43** S. 552(6) modified (9.4.2003) by Finance Act 2003 (c. 14), s. 171(1)(3), **Sch. 34 para. 5**

[^{F1702}552ZA] Information: supplementary provisions

- (1) This section supplements section 552 and shall be construed as one with it.
- (2) Where the obligations under any policy or contract of the body that issued, entered into or effected it ("the original insurer") are at any time the obligations of another body ("the transferee") to whom there has been a transfer of the whole or any part of a business previously carried on by the original insurer, section 552 shall have effect in relation to that time, except where the chargeable event—
 - (a) happened before the transfer, and
 - (b) in the case of a death or an assignment, is an event of which the notification mentioned in subsection (6) or (7) of that section was given before the transfer, as if the policy or contract had been issued, entered into or effected by the transferee.
- (3) Where, in consequence of ^{F1703} . . . [^{F1704}section 514(1) of ITTOIA 2005], paragraph (a) or (b) of section 552(1) requires certificates to be delivered in respect of two or more surrenders, happening in the same year, of part of or a share in the rights conferred by the policy or contract, a single certificate may be delivered under the paragraph in question in respect of all those surrenders (and may treat them as if they together constituted a single surrender) unless between the happening of the first and the happening of the last of them there has been—
 - (a) an assignment of part of or a share in the rights conferred by the policy or contract; or
 - (b) an assignment, otherwise than for money or money's worth, of the whole of the rights conferred by the policy or contract.
- (4) Where the appropriate policy holder is two or more persons—
 - (a) section 552(1)(a) requires a certificate to be delivered to each of them; but
 - (b) nothing in section 552 or this section requires a body to deliver a certificate under subsection (1)(a) of that section to any person whose address has not been provided to the body (or to another body, at a time when the obligations under the policy or contract were obligations of that other body).
- (5) A certificate under section 552(1)(b) or (3)—
 - (a) shall be in a form prescribed for the purpose by the Board; and
 - (b) shall be delivered by any means prescribed for the purpose by the Board;

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and different forms, or different means of delivery, may be prescribed for different cases or different purposes.

- (6) The Board may by regulations make such provision as they think fit for securing that they are able—
- (a) to ascertain whether there has been or is likely to be any contravention of the requirements of section 552 or this section; and
 - (b) to verify any certificate under that section.
- (7) Regulations under subsection (6) above may include, in particular, provisions requiring persons to whom premiums under any policy are or have at any time been payable—
- (a) to supply information to the Board; and
 - (b) to make available books, documents and other records for inspection on behalf of the Board.
- (8) Regulations under subsection (6) above may—
- (a) make different provision for different cases; and
 - (b) contain such supplementary, incidental, consequential or transitional provision as appears to the Board to be appropriate.]

Textual Amendments

F1702Ss. 552, 552ZA substituted for s. 552 (with effect in accordance with s. 83(3) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 28 para. 18**

F1703Words in s. 552ZA(3) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 5**

F1704Words in s. 552ZA(3) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 223** (with Sch. 2)

[^{F1705}552ZB] Regulations in relation to qualifying policies

- (1) The Commissioners for Her Majesty's Revenue and Customs may make regulations—
- (a) requiring relevant persons—
 - (i) to provide prescribed information to persons who apply for the issue of qualifying policies or who are, or may be, required to make statements under paragraph B3(2) of Schedule 15;
 - (ii) to provide to an officer of Revenue and Customs prescribed information about qualifying policies which have been issued by them or in relation to which they are or have been a relevant transferee;
 - (b) making such provision (not falling within paragraph (a)) as the Commissioners think fit for securing that an officer of Revenue and Customs is able—
 - (i) to ascertain whether there has been or is likely to be any contravention of the requirements of the regulations or of paragraph B3(2) of Schedule 15;
 - (ii) to verify any information provided to an officer of Revenue and Customs as required by the regulations.

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- (2) The provision that may be made by virtue of subsection (1)(b) includes, in particular, provision requiring relevant persons to make available books, documents and other records for inspection by or on behalf of an officer of Revenue and Customs.
- (3) The regulations may—
 - (a) make different provision for different cases or circumstances, and
 - (b) contain incidental, supplementary, consequential, transitional, transitory or saving provision.
- (4) In this section—
 - “prescribed” means prescribed by the regulations,
 - “qualifying policy” includes a policy which would be a qualifying policy apart from—
 - (a) paragraph A1(2), B1(2), B2(2) or B3(3) of Schedule 15, or
 - (b) paragraph 17(2)(za) of that Schedule (including as applied by paragraph 18), and
 - “relevant person” means a person—
 - (a) who issues, or has issued, qualifying policies, or
 - (b) who is, or has been, a relevant transferee in relation to qualifying policies.
- (5) For the purposes of this section a person (“X”) is at any time a “relevant transferee” in relation to a qualifying policy if the obligations under the policy of its issuer are at that time the obligations of X as a result of there having been a transfer to X of the whole or any part of a business previously carried on by the issuer.]

Textual Amendments

F1705S. 552ZB inserted (17.7.2013) by [Finance Act 2013 \(c. 29\)](#), [Sch. 9 para. 10](#)

[^{F1706}**552A** Tax representatives.

- (1) This section has effect for the purpose of securing that, where it applies to an overseas insurer, another person is the overseas insurer’s tax representative.
- (2) In this section “overseas insurer” means a person who is not resident in the United Kingdom who carries on a business which consists of or includes the effecting and carrying out of—
 - (a) policies of life insurance;
 - (b) contracts for life annuities; or
 - (c) capital redemption policies.
- (3) This section applies to an overseas insurer—
 - (a) if the condition in subsection (4) below is satisfied on the designated day; or
 - (b) where that condition is not satisfied on that day, if it has subsequently become satisfied.
- (4) The condition mentioned in subsection (3) above is that—
 - (a) there are in force relevant insurances the obligations under which are obligations of the overseas insurer in question or of an overseas insurer connected with him; and

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- (b) the total amount or value of the gross premiums paid under those relevant insurances is £1 million or more.
- (5) In this section “relevant insurance” means any policy of life insurance, contract for a life annuity or capital redemption policy ^{F1707} . . . in the case of which—
- (a) the holder is resident in the United Kingdom;
 - (b) the obligations of the insurer are obligations of a person not resident in the United Kingdom; and
 - (c) those obligations are not attributable to a branch or agency of that person’s in the United Kingdom.
- (6) Before the expiration of the period of three months following the day on which this section first applies to an overseas insurer, the overseas insurer must nominate to the Board a person to be his tax representative.
- (7) A person shall not be a tax representative unless—
- (a) if he is an individual, he is resident in the United Kingdom and has a fixed place of residence there, or
 - (b) if he is not an individual, he has a business establishment in the United Kingdom,
- and, in either case, he satisfies such other requirements (if any) as are prescribed in regulations made for the purpose by the Board.
- (8) A person shall not be an overseas insurer’s tax representative unless—
- (a) his nomination by the overseas insurer has been approved by the Board; or
 - (b) he has been appointed by the Board.
- (9) The Board may by regulations make provision supplementing this section; and the provision that may be made by any such regulations includes provision with respect to—
- (a) the making of a nomination by an overseas insurer of a person to be his tax representative;
 - (b) the information which is to be provided in connection with such a nomination;
 - (c) the form in which such a nomination is to be made;
 - (d) the powers and duties of the Board in relation to such a nomination;
 - (e) the procedure for approving, or refusing to approve, such a nomination, and any time limits applicable to doing so;
 - (f) the termination, by the overseas insurer or the Board, of a person’s appointment as a tax representative;
 - (g) the appointment by the Board of a person as the tax representative of an overseas insurer (including the circumstances in which such an appointment may be made);
 - (h) the nomination by the overseas insurer, or the appointment by the Board, of a person to be the tax representative of an overseas insurer in place of a person ceasing to be his tax representative;
 - (j) circumstances in which an overseas insurer to whom this section applies may, with the Board’s agreement, be released (subject to any conditions imposed by the Board) from the requirement that there must be a tax representative;
 - (k) appeals to the [^{F1708}tribunal] against decisions of the Board under this section or regulations under it.

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- (10) The provision that may be made by regulations under subsection (9) above also includes provision for or in connection with the making of other arrangements between the Board and an overseas insurer for the purpose of securing the discharge by or on behalf of the overseas insurer of the relevant duties, within the meaning of section 552B.
- (11) [^{F1709}Section 1122 of CTA 2010] (connected persons) applies for the purposes of this section.
- (12) In this section—
- ^{F1710}“capital redemption policy” means a capital redemption policy in relation to which ^{F1711}. . . Chapter 9 of Part 4 of ITTOIA 2005 [^{F1712}has] effect;]
- ^{F1713}“contract for a life annuity” means a contract for a life annuity in relation to which ^{F1711}. . . Chapter 9 of Part 4 of ITTOIA 2005 [^{F1712}has] effect;]
- “the designated day” means such day as the Board may specify for the purpose in regulations;
- ^{F1714}“policy of life insurance” means a policy of life insurance in relation to which ^{F1711}. . . Chapter 9 of Part 4 of ITTOIA 2005 [^{F1712}has] effect;]
- “tax representative” means a tax representative under this section.

Subordinate Legislation Made

P1 S. 552A(12) power exercised: 6.4.1999 appointed by S.I. 1999/881, **reg. 3**

Textual Amendments

F1706Ss. 552A, 552B inserted (31.7.1998) by Finance Act 1998 (c. 36), **s. 87**

F1707Words in s. 552A(5) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 224(2), **Sch. 3** (with Sch. 2)

F1708Word in s. 552A(9)(k) substituted (1.4.2009) by The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 148**

F1709Words in s. 552A(11) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 87** (with Sch. 2)

F1710S. 552A(12): definition of "capital redemption policy" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 224(3)** (with Sch. 2)

F1711Words in s. 552A(12) omitted (with effect in accordance with Sch. 14 para. 18 of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 6(a)**

F1712Words in s. 552A(12) substituted (with effect in accordance with Sch. 14 para. 18 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 14 para. 6(b)**

F1713S. 552A(12): definition of "contract for a life annuity" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 224(3)** (with Sch. 2)

F1714S. 552A(12): definition of "policy of life insurance" inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 224(3)** (with Sch. 2)

Modifications etc. (not altering text)

C44 S. 522A restricted (6.4.1999) by The Overseas Insurers (Tax Representatives) Regulations 1999 (S.I. 1999/881), **reg. 11(2)**

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552B Duties of overseas insurers' tax representatives.

(1) It shall be the duty of an overseas insurer's tax representative to secure (where appropriate by acting on the overseas insurer's behalf) that the relevant duties are discharged by or on behalf of the overseas insurer.

[^{F1715}(2) For the purposes of this section “the relevant duties” are—

- (a) the duties imposed by section 552,
- (b) the duties imposed by section 552ZA(2), (4) or (5), ^{F1716} . . .
- (c) any duties imposed by regulations made under subsection (6) of section 552ZA by virtue of subsection (7) of that section, [^{F1717}and
- (d) any duties imposed by regulations under section 552ZB,]

so far as relating to relevant insurances under which the overseas insurer in question has any obligations.]

(3) An overseas insurer's tax representative shall be personally liable—

- (a) in respect of any failure to secure the discharge of the relevant duties, and
- (b) in respect of anything done for purposes connected with acting on the overseas insurer's behalf,

as if the relevant duties were imposed jointly and severally on the tax representative and the overseas insurer.

(4) In the application of this section in relation to any particular tax representative, it is immaterial whether any particular relevant duty arose before or after his appointment.

(5) This section has effect in relation to relevant duties relating to chargeable events happening on or after the day by which section 552A(6) requires the nomination of the overseas insurer's first tax representative to be made.

[In subsection (5) “chargeable event” has the same meaning as in section 552 (see ^{F1718}(5A) subsection (10) of that section).]

(6) Expressions used in this section and in section 552A have the same meaning in this section as they have in that section.]

Textual Amendments

F1706Ss. 552A, 552B inserted (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 87](#)

F1715S. 552B(2) substituted (with effect in accordance with s. 83(3) of the amending Act) by [Finance Act 2001 \(c. 9\), Sch. 28 para. 19](#)

F1716Word in s. 552B(2) omitted (17.7.2013) by virtue of [Finance Act 2013 \(c. 29\), Sch. 9 para. 11\(a\)](#)

F1717S. 552B(2)(d) and preceding word inserted (17.7.2013) by [Finance Act 2013 \(c. 29\), Sch. 9 para. 11\(b\)](#)

F1718S. 552B(5A) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 225](#) (with Sch. 2)

553 Non-resident policies and off-shore capital redemption policies.

^{F1719}

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Textual Amendments

F1719Ss. 553-553C omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 7](#)

[^{F1720}**553**~~O~~**Overseas life assurance business: life policies.**

F1721]

Textual Amendments

F1720S. 553A inserted (31.7.1998) by [Finance Act 1998 \(c. 36\)](#), [s. 88\(1\)](#)
F1721Ss. 553-553C omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 7](#)

[^{F1722}**553**~~D~~**Overseas life assurance business: capital redemption policies.**

F1723]

Textual Amendments

F1722S. 553B inserted (31.7.1998) by [Finance Act 1998 \(c. 36\)](#), [s. 88\(2\)](#)
F1723Ss. 553-553C omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 7](#)

[^{F1724}**553**~~P~~**Personal portfolio bonds.**

F1725]

Textual Amendments

F1724S. 553C inserted (31.7.1998) by [Finance Act 1998 \(c. 36\)](#), [s. 89](#)
F1725Ss. 553-553C omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 7](#)

554 Borrowings on life policies to be treated as income in certain cases.

F1726

Textual Amendments

F1726S. 554 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 229](#), [Sch. 3](#) (with [Sch. 2](#))

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CHAPTER III

ENTERTAINERS AND SPORTSMEN

555 Payment of tax.

F1727

Textual Amendments

F1727S. 555 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 113](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

556 Activity treated as trade etc. and attribution of income.

F1728

Textual Amendments

F1728S. 556 omitted (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by virtue of [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 186](#) (with [Sch. 2 Pts. 1, 2](#))

557 Charge on [^{F1729}profits].

F1730

Textual Amendments

F1729 Word in [s. 557](#) sidenote substituted (31.7.1998) by [Finance Act 1998 \(c. 36\)](#), [s. 46\(3\)\(a\)](#), [Sch. 7 para. 1](#)
F1730S. 557 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 231](#), [Sch. 3](#) (with [Sch. 2](#))

558 Supplementary provisions.

- (1) F1731
- (2) F1731
- (3) F1731
- (4) F1731
- (5) F1732
- (6) F1732

Textual Amendments

F1731S. 558(1)-(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 115](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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F1732S. 558(5)(6) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 187, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

CHAPTER IV

SUB-CONTRACTORS IN THE CONSTRUCTION INDUSTRY

559 Deductions on account of tax etc. from payments to certain sub-contractors.

F1733

Textual Amendments

F1733Pt. 13 Ch. 4 (ss. 559-567) repealed (with effect in accordance with s. 77 of the repealing Act) by Finance Act 2004 (c. 12), Sch. 12 para. 9(2), **Sch. 42 Pt. 2(7)**, Note; S.I. 2006/3240, **art. 2**

[^{F1734}559A Treatment of sums deducted under s.559

F1735]

Textual Amendments

F1734S. 559A inserted (with effect in accordance with s. 40(4) of the amending Act) by Finance Act 2002 (c. 23), **s. 40(1)**

F1735Pt. 13 Ch. 4 (ss. 559-567) repealed (with effect in accordance with s. 77 of the repealing Act) by Finance Act 2004 (c. 12), Sch. 12 para. 9(2), **Sch. 42 Pt. 2(7)**, Note; S.I. 2006/3240, **art. 2**

560 Persons who are sub-contractors or contractors for purposes of Chapter IV.

F1736

Textual Amendments

F1736Pt. 13 Ch. 4 (ss. 559-567) repealed (with effect in accordance with s. 77 of the repealing Act) by Finance Act 2004 (c. 12), Sch. 12 para. 9(2), **Sch. 42 Pt. 2(7)**, Note; S.I. 2006/3240, **art. 2**

561 Exceptions from section 559.

F1737

Textual Amendments

F1737Pt. 13 Ch. 4 (ss. 559-567) repealed (with effect in accordance with s. 77 of the repealing Act) by Finance Act 2004 (c. 12), Sch. 12 para. 9(2), **Sch. 42 Pt. 2(7)**, Note; S.I. 2006/3240, **art. 2**

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562 Conditions to be satisfied by individuals.

F1738

Textual Amendments

F1738Pt. 13 Ch. 4 (ss. 559-567) repealed (with effect in accordance with s. 77 of the repealing Act) by Finance Act 2004 (c. 12), Sch. 12 para. 9(2), **Sch. 42 Pt. 2(7)**, Note; S.I. 2006/3240, **art. 2**

563 Conditions to be satisfied by partners who are individuals.

F1739

Textual Amendments

F1739S. 563 repealed (with effect in accordance with Sch. 27 para. 8(1), Sch. 29 Pt. 8(21) Note 3 of the repealing Act) by Finance Act 1995 (c. 4), Sch. 27 para. 5, **Sch. 29 Pt. 8(21)**; S.I. 1998/2620, **art. 3**

564 Conditions to be satisfied by firms.

F1740

Textual Amendments

F1740Pt. 13 Ch. 4 (ss. 559-567) repealed (with effect in accordance with s. 77 of the repealing Act) by Finance Act 2004 (c. 12), Sch. 12 para. 9(2), **Sch. 42 Pt. 2(7)**, Note; S.I. 2006/3240, **art. 2**

565 Conditions to be satisfied by companies.

F1741

Textual Amendments

F1741Pt. 13 Ch. 4 (ss. 559-567) repealed (with effect in accordance with s. 77 of the repealing Act) by Finance Act 2004 (c. 12), Sch. 12 para. 9(2), **Sch. 42 Pt. 2(7)**, Note; S.I. 2006/3240, **art. 2**

566 General powers to make regulations under Chapter IV.

F1742

Textual Amendments

F1742Pt. 13 Ch. 4 (ss. 559-567) repealed (with effect in accordance with s. 77 of the repealing Act) by Finance Act 2004 (c. 12), Sch. 12 para. 9(2), **Sch. 42 Pt. 2(7)**, Note; S.I. 2006/3240, **art. 2**

567 Meaning of “construction operations”.

F1743

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F1743 Pt. 13 Ch. 4 (ss. 559-567) repealed (with effect in accordance with s. 77 of the repealing Act) by Finance Act 2004 (c. 12), Sch. 12 para. 9(2), **Sch. 42 Pt. 2(7)**, Note; S.I. 2006/3240, **art. 2**

CHAPTER V

SCHEMES FOR RATIONALIZING INDUSTRY

568 Deductions from profits of contributions paid under certified schemes.

^{M73}(1) Notwithstanding anything contained in ^{F1744} . . . [^{F1745}section 33 of ITTOIA 2005] [^{F1746}or section 53 of CTA 2009 (no deduction for capital expenditure)] but subject to the following provisions of this Chapter, where a person pays, wholly and exclusively for the purposes of a trade in respect of which he is chargeable [^{F1747}under Part 2 of ITTOIA 2005 or Part 3 of CTA 2009,] a contribution in furtherance of a scheme which is for the time being certified by the Secretary of State under this section, the contribution shall, in so far as it is paid in furtherance of the primary object of the scheme, be allowed to be deducted as an expense in computing the [^{F1748}profits] of that trade.

- (2) The Secretary of State shall certify a scheme under this section if he is satisfied—
- (a) that the primary object of the scheme is the elimination of redundant works or machinery or plant from use in an industry in the United Kingdom; and
 - (b) that the scheme is in the national interest and in the interests of that industry as a whole; and
 - (c) that such number of persons engaged in that industry as are substantially representative of the industry are liable to pay contributions in furtherance of the primary object of the scheme by agreement between them and the body of persons carrying out the scheme.

References in this subsection to an industry in the United Kingdom shall include references to the business carried on by owners of ships or of a particular class of ships, wherever that business is carried on, and, in relation to that business, references in this subsection to works or machinery or plant shall include references to ships.

- (3) The Secretary of State shall cancel any certificate granted under this section if he ceases to be satisfied as to any of the matters referred to in subsection (2) above.
- (4) The Secretary of State may at any time require the body of persons carrying out a scheme certified under this section to produce any books or documents of whatever nature relating to the scheme and, if the requirement is not complied with, he may cancel the certificate.
- (5) In this section and in section 569 “contribution”, in relation to a scheme, does not include a sum paid by a person by way of loan or subscription of share capital, or in consideration of the transfer of assets to him, or by way of a penalty for contravening or failing to comply with the scheme.

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Textual Amendments

- F1744** Words in s. 568(1) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 188(a), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)
- F1745** Words in s. 568(1) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 232(a) (with Sch. 2)
- F1746** Words in s. 568(1) inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 188(b) (with Sch. 2 Pts. 1, 2)
- F1747** Words in s. 568(1) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 188(c) (with Sch. 2 Pts. 1, 2)
- F1748** Words in s. 568(1) substituted (31.7.1998) by Finance Act 1998 (c. 36), s. 46(3)(a), Sch. 7 para. 1

Marginal Citations

- M73** Source-1970 s.406

569 Repayment of contributions.

- ^{M74}(1) In the event of the repayment, whether directly or by way of distribution of assets on a winding up or otherwise, of a contribution or any part of a contribution which has been allowed to be deducted under section 568, the deduction of the contribution, or so much of it as has been repaid, shall be deemed to be an unauthorised deduction in respect of which an assessment shall be made, and, notwithstanding the provisions of the Tax Acts requiring assessments to be made within six years after the end of the chargeable period to which they relate, any such assessment and any consequential assessment may be made at any time within three years after the end of the chargeable period in which the repayment was made.
- (2) For the purposes of this section, a sum received by any person by way of repayment of contributions shall be deemed to be by way of repayment of the last contribution paid by him, and, if the sum exceeds the amount of that contribution, by way of repayment of the penultimate contribution so paid, and so on.

Marginal Citations

- M74** Source-1970 s.407; 1971 Sch.6 45

570 Payments under certified schemes which are not repayments of contributions.

- ^{M75}(1) Subject to the provisions of this section, where, under any scheme which is for the time being certified or has at any time been certified by the Secretary of State under section 568, any payment (not being a payment made by way of repayment of contributions) is made to a person carrying on a trade to which the scheme relates, that payment shall be treated for the purposes of the Tax Acts as a trading receipt of the trade, and shall accordingly be taken into account in computing the [^{F1749}profits] of the trade for those purposes.
- (2) Where ^{F1750} . . . the payments which have been made under such a scheme in respect of a trade (not being payments made by way of repayment of contributions) have been made wholly or partly in respect of damage in respect of which no relief may be given under the Tax Acts, [^{F1751}and a claim is made to that effect,] then, subject to and in accordance with the provisions of [^{F1752}Schedule 21]—

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- (a) relief shall be given in respect of those payments by reducing the amounts which are to be treated as trading receipts of the trade under subsection (1) above; but
 - (b) where such relief is given, section 568 shall, in relation to contributions subsequently paid under the scheme in respect of the trade, have effect subject to the modifications specified in Part III of that Schedule,
 [^{F1753}and paragraph 6 of that Schedule applies for the purposes of this subsection as it applies for the purposes of that Schedule.]
- (3) The provisions of this section and Schedule 21 shall apply in relation to any payment made to a person who has ceased to carry on a trade to which any such scheme as is mentioned in subsection (1) above relates as they apply in relation to payments made to a person carrying on such a trade, subject to the modification that so much of that payment as falls to be treated as a trading receipt by virtue of those provisions shall be deemed for the purposes of those provisions to have been made to him on the last day on which he was engaged in carrying on the trade.
- (4) In determining for the purposes of this section and of Schedule 21—
- (a) whether any trade has ceased to be carried on; or
 - (b) whether any contribution is paid in respect of a trade in respect of which a payment has been made; or
 - (c) whether any payment is made in respect of a trade in respect of which a contribution has been paid,
- no regard shall be had to any event which, by virtue of [^{F1754}section 18 of ITTOIA 2005 or section 41 of CTA 2009 (company starting or ceasing to be within charge to corporation tax) is to be treated as effecting a cessation of trading.]

Textual Amendments

- F1749** Words in s. 570(1) substituted (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 46\(3\)\(a\), Sch. 7 para. 1](#)
- F1750** Words in s. 570(2) repealed (with effect in accordance with s. 134(2) of the repealing Act) by [Finance Act 1996 \(c. 8\), Sch. 20 para. 31\(a\), Sch. 41 Pt. 5\(10\)](#), Note
- F1751** Words in s. 570(2) inserted (with effect in accordance with s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\), Sch. 20 para. 31\(b\)](#)
- F1752** Words in s. 570(2) substituted (with effect in accordance with s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\), Sch. 20 para. 31\(c\)](#)
- F1753** Words in s. 570(2) added (with effect in accordance with s. 134(2) of the amending Act) by [Finance Act 1996 \(c. 8\), Sch. 20 para. 31\(d\)](#)
- F1754** Words in s. 570(4) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 189](#) (with [Sch. 2 Pts. 1, 2](#))

Marginal Citations

- M75** [Source-1970 s.408](#)

571 Cancellation of certificates.

- ^{M76}(1) Where any certificate granted with respect to a scheme under section 568 is cancelled by the Secretary of State, and any deductible contributions paid in furtherance of the scheme have not been repaid at the expiration of one year from the cancellation, the body of persons carrying out the scheme shall, for the chargeable period in which that

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year expires, be charged to tax ^{F1755} . . . upon the aggregate amount of the deductible contributions which have not been repaid at that time.

[^{F1756}(1A) An amount charged to income tax under subsection (1) above is treated for income tax purposes as an amount of income.]

[^{F1757}(1B) So far as relating to corporation tax, the charge to tax under subsection (1) has effect as an application of the charge to corporation tax on income.]

(2) The charge to tax under subsection (1) above shall not be made if the total amount of any contributions, other than deductible contributions, which have been paid under the scheme and have not been repaid before that time is greater than the available resources of the scheme, and shall not in any case be made upon an amount greater than the excess, if any, of those resources over that total amount.

(3) In subsection (2) above “the available resources”, in relation to any scheme, means a sum representing the total funds held for the purposes of the scheme at the expiration of one year from the cancellation of the certificate plus a sum representing any funds held for the purposes of the scheme which, during that year, have been applied otherwise than in accordance with the provisions of the scheme as in force when the certificate was granted.

(4) Where the body of persons carrying out a scheme are charged to tax by virtue of subsection (1) above, and, after the expiration of one year from the cancellation of the certificate, any deductible contribution paid in furtherance of the scheme is repaid, the amount upon which the charge is made shall on the making of a claim be reduced by the amount repaid, and all such repayments of tax shall be made as are necessary to give effect to the provisions of this subsection.

(5) In this section “contribution” includes a part of a contribution, and “deductible contribution” means a contribution allowed to be deducted under section 568, any reduction under Part III of Schedule 21 being left out of account.

(6) For the purposes of this section, a sum received by any person by way of repayment of contributions shall be deemed to be by way of repayment of the last contribution paid by him, and, if the sum exceeds the amount of that contribution, by way of repayment of the penultimate contribution so paid, and so on.

Textual Amendments

F1755 Words in s. 571(1) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 190(2), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

F1756 S. 571(1A) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 116 (with Sch. 2)

F1757 S. 571(1B) inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 190(3) (with Sch. 2 Pts. 1, 2)

Marginal Citations

M76 Source-1970 s.409

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572 Application to statutory redundancy schemes.

- ^{M77}(1) Sections 569 to 571 and Schedule 21 shall, subject to the adaptations specified in subsection (2) below, apply in relation to a statutory redundancy scheme as they apply in relation to a scheme certified under section 568.
- (2) The adaptations referred to above are as follows, that is to say—
- (a) for any reference to a contribution allowed to be deducted under section 568 there shall be substituted a reference to a contribution allowed to be deducted under any provision of the Tax Acts other than that section;
 - (b) any provision that section 568 shall, in relation to contributions, have effect subject to modifications, shall be construed as a provision that so much of any provision of the Tax Acts other than that section as authorises the deduction of contributions shall, in relation to the contributions in question, have effect subject to the modifications in question;
 - (c) for any reference to the cancellation of a certificate with respect to a scheme there shall be substituted a reference to the scheme ceasing to have effect; and
 - (d) for any reference to the provisions of the scheme as in force when the certificate was granted there shall be substituted a reference to the provisions of the scheme as in force when the contributions were first paid thereunder.
- (3) In this section “statutory redundancy scheme” means a scheme for the elimination or reduction of redundant works, machinery or plant, or for other similar purposes, to which effect is given by or under any Act, whether passed before or after this Act.

Marginal Citations

^{M77} Source-1970 s.410

[^{F1758} CHAPTER 5A

SHARE LOSS RELIEF

Textual Amendments

^{F1758}**Pt. 13 Ch. 5A** created (6.4.2007 with effect in accordance with s. 1034(1) of the affecting Act) by virtue of [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 117(3)** (with [Sch. 2](#))

Relief for losses on unquoted shares in trading companies

573 Relief for companies.

^{F1759}

Textual Amendments

^{F1759}**Pt. 13 Ch. 5A** (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), **Sch. 1 para. 88**, **Sch. 3 Pt. 1** (with [Sch. 2](#))

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Modifications etc. (not altering text)

C45 S. 573 transposed from Pt. 13 Ch. 6 to Pt. 13 Ch. 5A (6.4.2007 with effect in accordance with s. 1034(1) of the affecting Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 117\(3\)](#) (with [Sch. 2](#))

575 Exclusion of relief under section 573^{F1760} . . . in certain cases.

F1761

Textual Amendments

F1760 Words in s. 575 sidenote repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 119\(2\)](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F1761 Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 88](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Modifications etc. (not altering text)

C46 S. 575 transposed from Pt. 13 Ch. 6 to Pt. 13 Ch. 5A (6.4.2007 with effect in accordance with s. 1034(1) of the affecting Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 119\(7\)](#) (with [Sch. 2](#))

576 Provisions supplementary to [^{F1762}sections 573 and 575].

F1763

Textual Amendments

F1762 Words in s. 576 sidenote substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 120\(2\)](#) (with [Sch. 2](#))

F1763 Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 88](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Modifications etc. (not altering text)

C47 S. 576 transposed from Pt. 13 Ch. 6 to Pt. 13 Ch. 5A (6.4.2007 with effect in accordance with s. 1034(1) of the affecting Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 120\(7\)](#) (with [Sch. 2](#))

[^{F1764}576A^{F1765}]

Textual Amendments

F1764 S. 576A inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 121](#) (with [Sch. 2](#))

F1765 Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 88](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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[^{F1766}Qualifying trading companies: the requirements

Textual Amendments

F1766S. 576B and preceding cross-heading inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 122](#) (with [Sch. 2](#))

576B The trading requirement

^{F1767}

Textual Amendments

F1767Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 88](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1768}**576C** **Ceasing to meet the trading requirement because of administration or receivership**

^{F1769}]

Textual Amendments

F1768S. 576C inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 123](#) (with [Sch. 2](#))

F1769Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 88](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1770}**576D** **The control and independence requirement**

^{F1771}

Textual Amendments

F1770S. 576D inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 124](#) (with [Sch. 2](#))

F1771Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 88](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F1772}**576E** **The qualifying subsidiaries requirement**

^{F1773}

Textual Amendments

F1772S. 576E inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 125](#) (with [Sch. 2](#))

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F1773Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 88, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[**F1774 576F** **The property managing subsidiaries requirement** F1775]

Textual Amendments

F1774S. 576F inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 126](#) (with [Sch. 2](#))

F1775Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 88, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[**F1776 576G** **The gross assets requirement** F1777]

Textual Amendments

F1776S. 576G inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 127](#) (with [Sch. 2](#))

F1777Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 88, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[**F1778 576H** **The unquoted status requirement** F1779]

Textual Amendments

F1778S. 576H inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 128](#) (with [Sch. 2](#))

F1779Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 88, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[**F1780 576I** **Power to amend requirements by Treasury order** F1781]]

Textual Amendments

F1780S. 576I inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 129](#) (with [Sch. 2](#))

F1781Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 88, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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[^{F1782}Qualifying trading companies: supplementary provisions

Textual Amendments

F1782S. 576J and preceding cross-heading inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 130** (with [Sch. 2](#))

576J Relief after an exchange of shares for shares in another company

F1783

Textual Amendments

F1783Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), **Sch. 1 para. 88**, **Sch. 3 Pt. 1** (with [Sch. 2](#))

[^{F1784}Substitution of new shares for old shares

^{F1784}576K_{F1785}]]

Textual Amendments

F1784S. 576K inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 131** (with [Sch. 2](#))
F1785Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), **Sch. 1 para. 88**, **Sch. 3 Pt. 1** (with [Sch. 2](#))

[^{F1786}Supplemental

Textual Amendments

F1786S. 576L and preceding cross-heading inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 132** (with [Sch. 2](#))

576L Interpretation of Chapter

F1787

Textual Amendments

F1787Pt. 13 Ch. 5A (ss. 573, 575-576L) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), **Sch. 1 para. 88**, **Sch. 3 Pt. 1** (with [Sch. 2](#))

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CHAPTER VI

OTHER PROVISIONS

Modifications etc. (not altering text)

C48 Pt 13 Ch. 6: ss. 573, 575 and 576 transposed to Pt. 13 Ch. 5A (6.4.2007 with effect in accordance with s. 1034(1) of the affecting Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 paras. 117\(3\), 119\(7\), 120\(7\)](#) (with [Sch. 2](#))

Relief for losses on unquoted shares in trading companies

574 Relief for individuals.

F1788

Textual Amendments

F1788S. 574 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 118](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Miscellaneous

577 Business entertaining expenses.

F1789

Textual Amendments

F1789S. 577 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 191](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F1790}**577A Expenditure involving crime.**

F1791]

Textual Amendments

F1790S. 577A inserted (with application in accordance with s. 123(2) of the amending Act) by [Finance Act 1993 \(c. 34\)](#), [s. 123\(1\)\(2\)](#)

F1791S. 577A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 192](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

578 Housing grants.

F1792

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Textual Amendments

F1792S. 578 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 193, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F1793} **578A Expenditure on car hire**

F1794]

Textual Amendments

F1793Ss. 578A, 578B inserted (with effect in accordance with s. 579 of the amending Act) by Capital Allowances Act 2001 (c. 2), **Sch. 2 para. 52** (with Sch. 3 para. 113)

F1794Ss. 578A, 578B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 194, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

578B Expenditure on car hire: supplementary

F1795]

Textual Amendments

F1793Ss. 578A, 578B inserted (with effect in accordance with s. 579 of the amending Act) by Capital Allowances Act 2001 (c. 2), **Sch. 2 para. 52** (with Sch. 3 para. 113)

F1795Ss. 578A, 578B repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 194, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

579 Statutory redundancy payments.

F1796

Textual Amendments

F1796Ss. 579, 580 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 195, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

580 Provisions supplementary to section 579.

F1797

Textual Amendments

F1797Ss. 579, 580 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 195, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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[^{F1798}**580** **Relief from tax on annual payments under certain insurance policies.**

F1799
.....]

Textual Amendments

F1798Ss. 580A, 580B inserted (with effect in accordance with s. 143(2)-(5) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 143\(1\)](#)

F1799Ss. 580A-580C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 240, Sch. 3 \(with Sch. 2\)](#)

580B **Meaning of “self-contained” for the purposes of s.580A.**

F1800
.....]

Textual Amendments

F1798Ss. 580A, 580B inserted (with effect in accordance with s. 143(2)-(5) of the amending Act) by [Finance Act 1996 \(c. 8\), s. 143\(1\)](#)

F1800Ss. 580A-580C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 240, Sch. 3 \(with Sch. 2\)](#)

[^{F1801}**580** **Relief from tax on annual payments under immediate needs annuities**

F1802
.....]

Textual Amendments

F1801S. 580C inserted (with effect in accordance with s. 147(6) of the amending Act) by [Finance Act 2004 \(c. 12\), s. 147\(3\)](#)

F1802Ss. 580A-580C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 240, Sch. 3 \(with Sch. 2\)](#)

581 **Borrowing in foreign currency by local authorities and statutory corporations.**

F1803
.....]

Textual Amendments

F1803S. 581 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 241, Sch. 3 \(with Sch. 2\)](#)

[^{F1804}**581** **Interest on foreign currency securities etc.**

F1805
.....]

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Textual Amendments

F1804S. 581A inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 242](#) (with [Sch. 2](#))

F1805S. 581A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 133](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

582 Funding bonds issued in respect of interest on certain debts.

F1806

Textual Amendments

F1806S. 582 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 196](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

[^{F1807} 582A Designated international organisations: miscellaneous exemptions.

F1808]

Textual Amendments

F1807S. 582A inserted by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), [s. 118\(1\)](#)

F1808S. 582A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 135](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

583 Inter-American Development Bank.

F1809

Textual Amendments

F1809S. 583 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 244](#), [Sch. 3](#) (with [Sch. 2](#))

584 Relief for unremittable overseas income

F1810

Textual Amendments

F1810S. 584 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 197](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

585 Relief from tax on delayed remittances.

F1811

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Textual Amendments

F1811 S. 585 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 246, Sch. 3](#) (with Sch. 2)

586 Disallowance of deductions for war risk premiums.

F1812

Textual Amendments

F1812 Ss. 586, 587 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 198, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

587 Disallowance of certain payments in respect of war injuries to employees.

F1813

Textual Amendments

F1813 Ss. 586, 587 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 198, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

[^{F1814}~~587~~ **New issues of securities: extra return.**

F1815]

Textual Amendments

F1814 S. 587A inserted by [Finance Act 1991 \(c. 31, SIF 63:1\), s. 54, Sch. 12 para. 1](#) (with application as referred to in Sch. 12 para. 5 of that Act)

F1815 S. 587A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 136, Sch. 3 Pt. 1](#) (with Sch. 2)

[^{F1816}~~587~~^{F1817} **Gifts of shares, securities and real property to charities etc]**

F1818]

Textual Amendments

F1816 S. 587B inserted (with effect in accordance with s. 43(3) of the amending Act) by [Finance Act 2000 \(c. 17\), s. 43\(1\)](#)

F1817 S. 587B sidenote substituted (with effect in accordance with s. 97(6) of the amending Act) by [Finance Act 2002 \(c. 23\), s. 97\(4\)](#)

F1818 S. 587B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 89, Sch. 3 Pt. 1](#) (with Sch. 2)

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[^{F1819}**587BA** **Qualifying interests in land held jointly**

F1820]

Textual Amendments

F1819S. 587BA inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 138** (with Sch. 2)

F1820S. 587BA repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), **Sch. 1 para. 90**, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F1821}**587C** **Supplementary provision for gifts of real property**

F1822]

Textual Amendments

F1821S. 587C inserted (with effect in accordance with s. 97(6) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), **s. 97(5)**

F1822S. 587C repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), **Sch. 1 para. 91**, **Sch. 3 Pt. 1** (with Sch. 2)

588 Training courses for employees.

F1823

Textual Amendments

F1823S. 588 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), **Sch. 1 para. 200**, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

589 Qualifying courses of training etc.

F1824

Textual Amendments

F1824S. 589 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), **Sch. 6 para. 68**, **Sch. 8 Pt. 1** (with Sch. 7)

[^{F1825}**589A** **Counselling services for employees.**

F1826]

Textual Amendments

F1825Ss. 589A, 589B inserted (27.7.1993) by [Finance Act 1993 \(c. 34\)](#), **s. 108**

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F1826S. 589A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 201, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F1827 **589B Qualifying counselling services etc.**

- (1) **F1828**
- (2) **F1828**
- (3) **F1828**
- [**F1829** (4) **F1828**
- (4A) **F1828**]
- (5) **F1830**

Textual Amendments

- F1827Ss. 589A, 589B** inserted (27.7.1993) by Finance Act 1993 (c. 34), **s. 108**
- F1828S. 589B(1)-(4A)** repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 70(2), **Sch. 8 Pt. 1** (with Sch. 7)
- F1829S. 589B(4)(4A)** substituted for s. 589B(4) (with effect in accordance with s. 57(4) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 12 Pt. 2 para. 13**
- F1830S. 589B(5)** repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 202, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

PART XIV

PENSION SCHEMES, SOCIAL SECURITY BENEFITS, LIFE ANNUITIES ETC.

CHAPTER I

RETIREMENT BENEFIT SCHEMES

Modifications etc. (not altering text)

- C49 Pt. 14 Ch. 1** (ss. 590-612) modified (31.3.1995) by Judicial Pensions and Retirement Act 1993 (c. 8), **ss. 18, 19(4), 31(2); S.I. 1995/631, art. 2**

Approval of schemes

590 Conditions for approval of retirement benefit schemes.

- F1831**

Textual Amendments

- F1831Ss. 590-594** repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F1832}**590**Section 590: supplementary provisions.

F1833]

Textual Amendments

F1832Ss. 590A-590C inserted by Finance Act 1989 (c. 26), s. 75, Sch. 6 paras. 4, **18(4)**

F1833Ss. 590-594 repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

[^{F1834}**590**Section 590: further supplementary provisions.

F1835]

Textual Amendments

F1834Ss. 590A-590C inserted by Finance Act 1989 (c. 26), s. 75, Sch. 6 paras. 4, **18(4)**

F1835Ss. 590-594 repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

[^{F1836}**590**Earnings cap.

F1837]

Textual Amendments

F1836Ss. 590A-590C inserted by Finance Act 1989 (c. 26), s. 75, Sch. 6 paras. 4, **18(4)**

F1837Ss. 590-594 repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

591 Discretionary approval.

F1838]

Textual Amendments

F1838Ss. 590-594 repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

[^{F1839}**591**Effect on approved schemes of regulations under section 591.

F1840]

Textual Amendments

F1839S. 591A inserted by Finance Act 1991 (c. 31), **s.35**

F1840Ss. 590-594 repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

[^{F1841}**591**Cessation of approval: general provisions.

F1842]

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Textual Amendments

- F1841S. 591B inserted (retrospectively) by Finance Act 1991 (c. 31), s. 36(1)(3)
- F1842Ss. 590-594 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

[^{F1843}**591C** Cessation of approval: tax on certain schemes.

F1844
.....

Textual Amendments

- F1843Ss. 591C, 591D inserted (with effect in accordance with s. 61(3) of the amending Act) by Finance Act 1995 (c. 4), s. 61(1)
- F1844Ss. 590-594 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

591D Section 591C: supplementary.

F1845
.....]

Textual Amendments

- F1843Ss. 591C, 591D inserted (with effect in accordance with s. 61(3) of the amending Act) by Finance Act 1995 (c. 4), s. 61(1)
- F1845Ss. 590-594 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

Tax reliefs

592 Exempt approved schemes.

F1846
.....

Textual Amendments

- F1846Ss. 590-594 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

593 Relief by way of deductions from contributions.

F1847
.....

Textual Amendments

- F1847Ss. 590-594 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

594 Exempt statutory schemes.

F1848
.....

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Textual Amendments
F1848Ss. 590-594 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

Charge to tax in certain cases

595 Charge to tax in respect of certain sums paid by employer etc.

F1849

Textual Amendments
F1849Ss. 595, 596 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 74](#), [Sch. 8 Pt. 1](#) (with Sch. 7)

596 Exceptions from section 595.

F1850

Textual Amendments
F1850Ss. 595, 596 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 74](#), [Sch. 8 Pt. 1](#) (with Sch. 7)

[^{F1851}**596A Charge to tax: benefits under non-approved schemes.**

F1852]

Textual Amendments
F1851Ss. 596A, 596B inserted (with effect in accordance with [Sch. 6 para. 18\(7\)](#) of the amending Act) by [Finance Act 1989 \(c. 26\)](#), [Sch. 6 para. 9](#)
F1852Ss. 596A-596C repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 75](#), [Sch. 8 Pt. 1](#) (with Sch. 7)

[^{F1853}**596B Section 596A: supplementary provisions.**

F1854]

Textual Amendments
F1853Ss. 596A, 596B inserted (with effect in accordance with [Sch. 6 para. 18\(7\)](#) of the amending Act) by [Finance Act 1989 \(c. 26\)](#), [Sch. 6 para. 9](#)
F1854Ss. 596A-596C repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 75](#), [Sch. 8 Pt. 1](#) (with Sch. 7)

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[^{F1855}~~596~~**Notional interest treated as paid if amount charged in respect of beneficial loan.**

F1856]

Textual Amendments

F1855S. 596C inserted (with effect in accordance with s. 93(4) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), **s. 93(3)**

F1856Ss. 596A-596C repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 75](#), **Sch. 8 Pt. 1** (with [Sch. 7](#))

597 Charge to tax: pensions.

F1857

Textual Amendments

F1857S. 597 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 76](#), **Sch. 8 Pt. 1** (with [Sch. 7](#))

598 Charge to tax: repayment of employee's contributions.

F1858

Textual Amendments

F1858Ss. 598-599A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with [Sch. 36](#)) (with savings in [S.I. 2006/5072](#), **arts. 1(1)**, 38)

599 Charge to tax: commutation of entire pension in special circumstances.

F1859

Textual Amendments

F1859Ss. 598-599A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with [Sch. 36](#)) (with savings in [S.I. 2006/5072](#), **arts. 1(1)**, 38)

[^{F1860}~~599~~**Charge to tax: payments out of surplus funds.**

F1861]

Textual Amendments

F1860S. 599A inserted (with effect in accordance with [Sch. 6 para. 18\(9\)](#) of the amending Act) by [Finance Act 1989 \(c. 26\)](#), **Sch. 6 para. 12**

F1861Ss. 598-599A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with [Sch. 36](#)) (with savings in [S.I. 2006/5072](#), **arts. 1(1)**, 38)

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600 Charge to tax: unauthorised payments to or for employees.

F1862

Textual Amendments

F1862S. 600 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 78, **Sch. 8 Pt. 1** (with Sch. 7)

601 Charge to tax: payments to employers.

F1863

Textual Amendments

F1863Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

602 Regulations relating to pension fund surpluses.

F1864

Textual Amendments

F1864Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

603 Reduction of surpluses.

F1865

Textual Amendments

F1865Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

Supplementary provisions

604 Application for approval of a scheme.

F1866

Textual Amendments

F1866Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

605 Information.

F1867

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Textual Amendments

F1867Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1868}**605** ~~False statements etc.~~

F1869]

Textual Amendments

F1868S. 605A inserted (with application in accordance with s. 106(2) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), [s. 106\(1\)](#)

F1869Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

606 Default of administrator etc.

F1870

Textual Amendments

F1870Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1871}**606** ~~Recourse to scheme members.~~

F1872]

Textual Amendments

F1871S. 606A inserted (with effect in accordance with [Sch. 15 para. 6\(2\)](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 15 para. 6\(1\)](#)

F1872Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

607 Pilots' benefit fund.

F1873

Textual Amendments

F1873Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

608 Superannuation funds approved before 6th April 1980.

F1874

Textual Amendments

F1874Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

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609 Schemes approved before 23rd July 1987.

F1875

Textual Amendments

F1875Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

610 Amendments of schemes.

F1876

Textual Amendments

F1876Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

611 Definition of “retirement benefits scheme”.

F1877

Textual Amendments

F1877Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1878}611A] Definition of relevant statutory scheme.

F1879

Textual Amendments

F1878S. 611A inserted (14.3.1989) by [Finance Act 1989 \(c. 26\)](#), [Sch. 6 paras. 15, 18\(1\)](#)

F1879Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1880}611AA] Definition of the administrator.

F1881

Textual Amendments

F1880S. 611AA inserted (with application in accordance with s. 103(3) of the amending Act) by [Finance Act 1994 \(c. 4\)](#), [s. 103\(1\)](#)

F1881Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

611A Definition of relevant statutory scheme.

F1879

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F1878S. 611A inserted (14.3.1989) by [Finance Act 1989 \(c. 26\)](#), Sch. 6 paras. 15, **18(1)**

F1879Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

612 Other interpretative provisions, and regulations for purposes of this Chapter.

F1882

Textual Amendments

F1882Ss. 601-612 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

CHAPTER II

OTHER PENSION FUNDS AND SOCIAL SECURITY BENEFITS AND CONTRIBUTIONS

613 Parliamentary pension funds.

[^{F1883}(1) ^{M78}The salary of a Member of the House of Commons shall, for all the purposes of the Income Tax Acts, be treated as reduced by the [^{F1884}amounts deducted in pursuance of section 4 of the House of Commons Members' Fund Act 2016]; but a Member shall not by reason of any such deduction be entitled to relief under any other provision of the Income Tax Acts.]

(2) ^{F1885}

(3) ^{F1886}

(4) ^{M79}The ^{F1887} . . . trustees of—

(a) the House of Commons Members' Fund [^{F1888}specified in section 1 of the 2016 Act];

(b) ^{F1889}

[^{F1890}(bb) ^{F1889}

(c) ^{F1889}

(d) ^{F1889}

shall be entitled to exemption from income tax in respect of all income derived from [^{F1891}that Fund] or any investment of [^{F1891}that Fund].

A claim under this subsection shall be made to the Board.

Textual Amendments

F1883S. 613(1) (which was repealed by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 83, **Sch. 8 Pt. 1**) restored (retrospectively) by [Finance Act 2005 \(c. 7\)](#), **Sch. 10 para. 63**

F1884Words in s. 613(1) substituted (12.8.2016) by [House of Commons Members' Fund Act 2016 \(c. 18\)](#), **ss. 8(2)(a), 10**

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- F1885**S. 613(2) omitted (12.8.2016) by virtue of [House of Commons Members' Fund Act 2016 \(c. 18\)](#), **ss. 8(2)(b)**, 10
- F1886**S. 613(3) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 83, **Sch. 8 Pt. 1** (with Sch. 7)
- F1887**Word in s. 613(4) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), Sch. 35 para. 26(a), **Sch. 42 Pt. 3**, Note (with Sch. 36)
- F1888**Words in s. 613(4)(a) substituted (12.8.2016) by [House of Commons Members' Fund Act 2016 \(c. 18\)](#), **ss. 8(2)(c)**, 10
- F1889**S. 613(4)(b)-(d) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), Sch. 35 para. 26(a), **Sch. 42 Pt. 3**, Note (with Sch. 36)
- F1890**S. 613(4)(bb) inserted (with effect in accordance with s. 52(2) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), **Sch. 5 para. 4**
- F1891**Words in s. 613(4) substituted (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), s. 284(1), **Sch. 35 para. 26(b)** (with Sch. 36)

Marginal Citations

- M78** Source-1970 s.211(1), (4)
M79 Source-1970 s.211(2) 1981 s.50(1); PPA 1987 Sch.3 2(1)

614 Exemptions and reliefs in respect of income from investments etc. of certain pension schemes.

- (1) ^{F1892}
- (2) ^{M80} Any interest or dividends received by the person in whom is vested any of the Family Pension Funds mentioned in section 273 of the ^{M81}Government of India Act 1935, and having effect as a scheme made under section 2 of the ^{M82}Overseas Pensions Act 1973, on sums forming part of that fund shall be exempt from income tax.
- [^{F1893}(2A) The reference in subsection (2) above to interest on sums forming part of a fund include references to any amount which is treated as income by virtue of [^{F1894}Chapter 8 of Part 4 of ITTOIA 2005 (profits from deeply] discounted securities) and derives from any investment forming part of that fund.]
- (3) ^{M83} Income derived from investments or deposits of any fund referred to in [^{F1895}section 648, 649, 650 or 651 of ITEPA 2003] shall not be charged to income tax, and any income tax deducted from any such income shall be repaid by the Board to the persons entitled to receive the income.
- (4) ^{M84} In respect of income derived from investments or deposits of the Overseas Service Pensions Fund established pursuant to section 7(1) of the ^{M85}Overseas Aid Act 1966, the Board shall give by way of repayment such relief from income tax as is necessary to secure that the income is exempt to the like extent (if any) as if it were income of a person [^{F1896}not domiciled and not resident] in the United Kingdom.
- (5) ^{M86} In respect of dividends and other income derived from investments, deposits or other property of a superannuation fund to which section 615(3) applies the Board shall give by way of repayment such relief from income tax as is necessary to secure that the income is exempt to the like extent (if any) as if it were income of a person [^{F1897}not domiciled and not resident] in the United Kingdom.
- (6) ^{M87} A claim under this section shall be made to the Board.

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Textual Amendments

- F1892**S. 614(1) repealed (3.5.1994) by [Finance Act 1994 \(c. 9\)](#), [Sch. 26 Pt. 5\(22\)](#)
- F1893**S. 614(2A) inserted (with effect in accordance with s. 105(1) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 14 para. 34](#) (with [Sch. 15](#))
- F1894**Words in s. 614(2A) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 261](#) (with [Sch. 2](#))
- F1895**Words in s. 614(3) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 84](#) (with [Sch. 7](#))
- F1896**Words in s. 614(4) substituted (with effect in accordance with [Sch. 46 para. 72](#) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 46 para. 28\(a\)](#)
- F1897**Words in s. 614(5) substituted (with effect in accordance with [Sch. 46 para. 72](#) of the amending Act) by [Finance Act 2013 \(c. 29\)](#), [Sch. 46 para. 28\(b\)](#)

Marginal Citations

- M80** Source-1970 s.213(1)
- M81** 1935 c. 2.
- M82** 1973 c. 21.
- M83** Source-1970 s.214(2), 216(2); 1973 s.53(1)
- M84** Source-1970 s.217(2), (4)
- M85** 1966 c. 21.
- M86** Source-1970 s.218(1)
- M87** Source-1970 s.212(3), 213(1), 214(3), 216(2), 217(2), 218(1); 1987 Sch.15 2(13)

615 Exemption from tax in respect of certain pensions.

- (1) ^{F1898}
- (2) ^{F1898}
- (3) ^{M88} Where an annuity is paid from a superannuation fund to which this subsection applies to a person who is not resident in the United Kingdom, income tax shall not be deducted from any payment of the annuity or accounted for under [^{F1899}Chapter 6 of Part 15 of ITA 2007 (deduction from annual payments and patent royalties)] by the trustees or other persons having the control of the fund.
- (4) ^{F1898}
- (5) ^{F1898}
- (6) ^{M89} Subsection (3) above applies to any superannuation fund which—
- is bona fide established under irrevocable trusts in connection with some trade or undertaking carried on wholly or partly outside the United Kingdom;
 - has for its sole purpose [^{F1900}(subject to any enactment or Northern Ireland legislation requiring or allowing provision for the value of any rights to be transferred between schemes or between members of the same scheme)] the provision of superannuation benefits in respect of persons' employment in the trade or undertaking wholly outside the United Kingdom; ^{F1901} . . .
 - is recognised by the employer and employed persons in the trade or undertaking; [^{F1902}and]
- ^{F1903}(d) meets the benefit accrual condition (see subsection (6A));]

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and for the purposes of this subsection duties performed in the United Kingdom the performance of which is merely incidental to the performance of other duties outside the United Kingdom shall be treated as performed outside the United Kingdom .

[^{F1904}(6A) The benefit accrual condition is—

- (a) that, in the case of any money purchase arrangement relating to a member of the fund that is not a cash balance arrangement, no contributions are made under the arrangement on or after 6 April 2017;
- (b) that, in the case of any cash balance arrangement relating to a member of the fund, there is no increase on or after 6 April 2017 in the value of any person's rights under the arrangement;
- (c) that, in the case of any defined benefits arrangement relating to a member of the fund, there is no increase on or after 6 April 2017 in the value of any person's rights under the arrangement; and
- (d) that, in the case of any arrangement relating to a member of the fund that is neither a money purchase arrangement nor a defined benefits arrangement—
 - (i) no contributions are made under the arrangement on or after 6 April 2017, and
 - (ii) there is no increase on or after 6 April 2017 in the value of any person's rights under the arrangement.

(6B) For the purposes of subsection (6A)(b)—

- (a) whether there is an increase in the value of a person's rights is to be determined by reference to whether there is an increase in the amount that would, on the valuation assumptions, be available for the provision of benefits under the arrangement to or in respect of the person (and, if there is, the amount of the increase), but
- (b) in the case of rights that accrued to a person before 6 April 2017, ignore increases in the value of the rights if in no tax year do they exceed the relevant percentage.

(6C) For the purposes of subsection (6A)(c)—

- (a) whether there is an increase in the value of a person's rights is to be determined by reference to whether there is an increase in the benefits amount as defined by paragraph 14(7) of Schedule 18 to the Finance Act 2011, but
- (b) in the case of rights that accrued to a person before 6 April 2017, ignore increases in the value of the rights if in no tax year do they exceed the relevant percentage.

(6D) For the purposes of subsection (6A)(d)(ii), regulations made by the Commissioners for Her Majesty's Revenue and Customs may make provision—

- (a) for determining whether there is an increase in the value of a person's rights,
- (b) for determining the amount of any increase, and
- (c) for ignoring the whole or part of any increase;

and regulations under this subsection may make provision having effect in relation to times before the regulations are made.

(6E) In this section, “relevant percentage”, in relation to a tax year, means—

- (a) where, on 20 March 2017, the rules of the fund include provision for the value of the rights of a person to increase during the tax year at an annual rate specified in those rules, that rate, or

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- (b) in any other case, the percentage by which the consumer prices index for September in the previous tax year is higher than it was for the September in the tax year before that (or, if greater, 0%).

(6F) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision—

- (a) so as to change, or modify the effect of, the benefit accrual condition;
- (b) as to the matters to be taken into account in determining whether the benefit accrual condition is met;
- (c) for a superannuation fund to be treated to any extent as meeting or not meeting the benefit accrual condition.

(6G) Provision under subsection (6D) or (6F) may be made by amending this section.]

(7) ^{F1905M90}For the purposes of this section—

“arrangement”, in relation to a member of a superannuation fund, means an arrangement relating to the member under the fund;

a money purchase arrangement relating to a member of a superannuation fund is a “cash balance arrangement” at any time if, at that time, all the benefits that may be provided to or in respect of the member under the arrangement are cash balance benefits;

an arrangement relating to a member of a superannuation fund is a “defined benefits arrangement” at any time if, at that time, all the benefits that may be provided to or in respect of the member under the arrangement are defined benefits;

an arrangement relating to a member of a superannuation fund is a “money purchase arrangement” at any time if, at that time, all the benefits that may be provided to or in respect of the member under the arrangement are money purchase benefits;

“cash balance benefits”, “defined benefits” and “money purchase benefits” have the meaning given by section 152 of the Finance Act 2004, but for this purpose reading references in that section to a pension scheme as references to a superannuation fund;

“member”, in relation to a superannuation fund, has the meaning given by section 151 of the Finance Act 2004, but for this purpose reading references in that section to a pension scheme as references to a superannuation fund;]

“pension” includes a gratuity or any sum payable on or in respect of death or, in the case of a pension falling within subsection (2)(g) above, ill-health, and a return of contributions with or without interest thereon or any other addition thereto;

“overseas territory” means any territory or country outside the United Kingdom;

“the Pensions (Increase) Acts” means the ^{M91}Pensions (Increase) Act 1971 and any Act passed after that Act for purposes corresponding to the purposes of that Act;

“United Kingdom trust territory” means a territory administered by the government of the United Kingdom under the trusteeship system of the United Nations;

^{F1906}“the valuation assumptions” has the meaning given by section 277 of the Finance Act 2004.]

(8) ^{F1898}

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- [^{F1907}(9) For the purposes of this section, a person shall be taken to be employed in the public service of an overseas territory at any time when—
- (a) he is employed in any capacity under the government of that territory, or under any municipal or other local authority in it,
 - (b) he is employed, in circumstances not falling within paragraph (a) above, by a body corporate established for any public purpose in that territory by an enactment of a legislature empowered to make laws for that territory, or
 - (c) he is the holder of a public office in that territory in circumstances not falling within either paragraph (a) or (b).
- (10) For the purposes of subsection (9), references to the government of an overseas territory include references to a government constituted for two or more overseas territories, and to any authority established for the purpose of providing or administering services which are common to, or relate to matters of common interest to, two or more such territories.]
- [^{F1908}(11) Where the conditions in subsection (6)(a) to (c) are met in the case of a superannuation fund (“the actual fund”)—
- (a) any disqualifying contributions made under an arrangement relating to a member of the actual fund are treated for the purposes of the Income Tax Acts as instead made under an arrangement relating to the member under a separate superannuation fund (“the shadow fund” for the actual fund),
 - (b) any disqualifying increase in the value of a person's rights under an arrangement relating to a member of the actual fund is treated for the purposes of the Income Tax Acts as instead being an increase under an arrangement relating to the member under the shadow fund for the actual fund, and
 - (c) any reference in this or any other Act (including the reference in subsection (3) and any reference enacted after the coming into force of this subsection) to a fund, or superannuation fund, to which subsection (3) applies does not include so much of the actual fund as—
 - (i) represents any contribution treated as made under, or any increase in the value of any rights treated as an increase under, the shadow fund of the actual fund or the shadow fund of any other superannuation fund, or
 - (ii) arises, or (directly or indirectly) derives, from anything within sub-paragraph (i) or this sub-paragraph.
- (12) For the purposes of subsection (11) a contribution, or an increase in the value of any rights, is “disqualifying” if it would (ignoring that subsection) cause the benefit accrual condition not to be met in the case of the actual fund.
- (13) For the purposes of the provisions of this section relating to the benefit accrual condition, where there is a recognised transfer—
- (a) any transfer of sums or assets to the recipient fund by the recognised transfer is to be categorised as not being “a contribution” to the recipient fund, and
 - (b) any increase in the value of rights under the recipient fund that occurs at the time of the recognised transfer is to be treated as not being an increase in that value if the increase is solely a result of the transfer effected by the recognised transfer.
- (14) For the purposes of subsection (13), where there is a transfer such that sums or assets held for the purposes of, or representing accrued rights under, an arrangement relating

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to a member of a superannuation fund (“the transferor fund”) are transferred so as to become held for the purposes of, or to represent rights under, an arrangement relating to that person as a member of another superannuation fund, the transfer is a “recognised transfer” if—

- (a) the conditions in subsection (6)(a) to (c) are met in the case of each of the funds, and
- (b) none of the sums and assets transferred—
 - (i) represents any contribution treated as made under, or any increase in the value of any rights treated as an increase under, the shadow fund of the transferor fund or the shadow fund of any other superannuation fund, or
 - (ii) arises, or (directly or indirectly) derives, from anything within sub-paragraph (i) or this sub-paragraph.]

Textual Amendments

- F1898S.** 615(1)(2)(4)(5)(8) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 85, Sch. 8 Pt. 1](#) (with [Sch. 7](#))
- F1899** Words in s. 615(3) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 140](#) (with [Sch. 2](#))
- F1900** Words in s. 615(6)(b) inserted (27.7.1999) by [Finance Act 1999 \(c. 16\), Sch. 10 para. 11](#)
- F1901** Word in s. 615(6)(b) omitted (6.4.2017) by virtue of [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(2\)\(a\)\(6\)](#)
- F1902** Word in s. 615(6)(c) inserted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(2\)\(b\)\(6\)](#)
- F1903S.** 615(6)(d) inserted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(2\)\(c\)\(6\)](#)
- F1904S.** 615(6A)-(6G) inserted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(3\)\(6\)](#)
- F1905** Words in s. 615(7) substituted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(4\)\(a\)\(6\)](#)
- F1906** Words in s. 615(7) inserted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(4\)\(b\)\(6\)](#)
- F1907S.** 615(9)(10) inserted (17.6.2002) by [International Development Act 2002 \(c. 1\), s. 20\(2\), Sch. 3 para. 9\(3\)](#) (with [Sch. 5](#)); [S.I. 2002/1408, art. 2](#)
- F1908S.** 615(11)-(14) inserted (6.4.2017) by [Finance Act 2017 \(c. 10\), Sch. 3 para. 3\(5\)\(6\)](#)

Marginal Citations

- M88** Source-1970 s.218(3)
- M89** Source-1970 s.218(4)
- M90** Source-1970 s.214(5), 215(3), 216(4), 217(4)
- M91** 1971 c. 56.

616 Other overseas pensions.

F1909
.....

Textual Amendments

- F1909S.** 616 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 86, Sch. 8 Pt. 1](#) (with [Sch. 7](#))

617 Social security benefits and contributions.

F1910
.....

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Textual Amendments

F1910S. 617 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 203, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts 1, 2](#))

[^{F1911} **617A Tax credits under Part 1 of Tax Credits Act 2002**

^{F1912}]

Textual Amendments

F1911S. 617A inserted (prosp.) by [Tax Credits Act 2002 \(c. 21\), s. 61, Sch. 3 para. 14](#) (the insertion being brought into force at 6.4.2003 by [S.I. 2003/962, art. 2\(3\)\(d\)\(iii\)](#))

F1912S. 617A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 88, Sch. 8 Pt. 1](#) (with [Sch. 7](#))

CHAPTER III

RETIREMENT ANNUITIES

618 Termination of relief under this Chapter, and transitional provisions.

^{F1913}

Textual Amendments

F1913Ss. 618-626 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

619 Exemption from tax in respect of qualifying premiums.

^{F1914}

Textual Amendments

F1914Ss. 618-626 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

620 Qualifying premiums.

^{F1915}

Textual Amendments

F1915Ss. 618-626 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with [Sch. 36](#))

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621 Other approved contracts.

F1916

Textual Amendments

F1916Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

622 Substituted retirement annuity contracts.

F1917

Textual Amendments

F1917Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

623 Relevant earnings.

F1918

Textual Amendments

F1918Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

624 Sponsored superannuation schemes and controlling directors.

F1919

Textual Amendments

F1919Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

625 Carry-forward of unused relief under section 619.

F1920

Textual Amendments

F1920Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

626 Modification of section 619 in relation to persons over 50.

F1921

Textual Amendments

F1921Ss. 618-626 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

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F1922 627 Lloyd’s underwriters.

.....

Textual Amendments

F1922S. 627 repealed (with effect as mentioned in s. 228(4) of the repealing Act) by [Finance Act 1994 \(c. 9\)](#), s. 228(2)(a), [Sch. 26 Pt. 5\(25\)](#), Note 1

628 Partnership retirement annuities.

F1923

Textual Amendments

F1923S. 628 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

629 Annuity premiums of Ministers and other officers.

^{M92}(1) For the purposes of this Chapter so much of any salary which—

- (a) is payable to the holder of a qualifying office who is also a Member of the House of Commons, and
- (b) is payable for a period in respect of which the holder is not a participant in relation to that office in arrangements contained in the Parliamentary pension scheme but is a participant in relation to his membership of the House of Commons in any such arrangements, or for any part of such a period,

as is equal to the difference between a Member’s pensionable salary and the salary which (in accordance with any such resolution as is mentioned in subsection (3)(a) below) is payable to him as a Member holding that qualifying office shall be treated as remuneration from the office of Member and not from the qualifying office.

(2) In this section—

“Member’s pensionable salary” means a Member’s ordinary salary under any resolution of the House of Commons which, being framed otherwise than as an expression of opinion, is for the time being in force relating to the remuneration of Members or, if the resolution provides for a Member’s ordinary salary thereunder to be treated for pension purposes as being at a higher rate, a notional yearly salary at that higher rate;

“qualifying office” means an office mentioned in section 2(2)(b), (c) or (d) of the Parliamentary and other ^{M93}Pensions Act 1987;

“the Parliamentary pension scheme” has the same meaning as in that Act; and without prejudice to the power conferred by virtue of paragraph 13 of Schedule 1 to that Act, regulations under section 2 of that Act may make provision specifying the circumstances in which a person is to be regarded for the purposes of this section as being or not being a participant in relation to his Membership of the House of Commons, or in relation to any office, in arrangements contained in the Parliamentary pension scheme.

(3) In subsection (2) above “a Member’s ordinary salary”, in relation to any resolution of the House of Commons, means—

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- (a) if the resolution provides for salary to be paid to Members at different rates according to whether or not they are holders of particular offices, or are in receipt of salaries or pensions as the holders or former holders of particular offices, a Member's yearly salary at the higher or highest rate; and
- (b) in any other case, a Member's yearly salary at the rate specified in or determined under the resolution.

Modifications etc. (not altering text)

C50 S. 629 applied (with modifications) (with effect in accordance with s. 52(2) of the affecting Act) by Finance Act 1999 (c. 16), **Sch. 5 para. 6**

Marginal Citations

M92 Source-1970 s.229
M93 1987 c. 45.

CHAPTER IV

PERSONAL PENSION SCHEMES

Modifications etc. (not altering text)

C51 Pt. 14 Ch. 5 excluded (1.5.1995) by Finance Act 1995 (c. 4), **s. 60(5)**

Preliminary

630 Interpretation.

F1924
.....

Textual Amendments

F1924Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

631 Approval of schemes.

F1925
.....

Textual Amendments

F1925Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

[^{F1926}**631A Conversion of certain approved retirement benefits schemes.**

F1927
.....]

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

.....

Textual Amendments
F1926S. 631A inserted (28.7.2000) by Finance Act 2000 (c. 17), Sch. 13 para. 7 (with Sch. 13 Pt. 2)
F1927Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

Restrictions on approval

632 Establishment of schemes.

F1928
.....

.....

Textual Amendments
F1928Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

[^{F1929} **632A Eligibility to make contributions.**

F1930
.....

.....

Textual Amendments
F1929Ss. 632A, 632B inserted (6.4.2001) by Finance Act 2000 (c. 17), Sch. 13 para. 8 (with Sch. 13 Pt. 2)
F1930Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

632B Eligibility to make contributions: concurrent membership.

F1931
.....]

.....

Textual Amendments
F1929Ss. 632A, 632B inserted (6.4.2001) by Finance Act 2000 (c. 17), Sch. 13 para. 8 (with Sch. 13 Pt. 2)
F1931Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

633 Scope of benefits.

F1932
.....

.....

Textual Amendments
F1932Ss. 630-640A repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

634 Annuity to member.

F1933
.....

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1933Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1934} **634** **Income withdrawals by member.**

F1935]

Textual Amendments

F1934S. 634A inserted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), [Sch. 11 para. 4](#)

F1935Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

635 Lump sum to member.

F1936

Textual Amendments

F1936Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

636 Annuity after death of member.

F1937

Textual Amendments

F1937Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1938} **636** **Income withdrawals after death of member.**

F1939]

Textual Amendments

F1938S. 636A inserted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), [Sch. 11 para. 7](#)

F1939Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

637 Death benefit.

F1940

Textual Amendments

F1940Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[^{F1941}**637** ~~R~~**eturn of contributions on or after death of member.**

^{F1942}]

Textual Amendments

^{F1941}Ss. 637, 637A substituted for s. 637 (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), [Sch. 11 para. 8](#)

^{F1942}Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

638 Other restrictions on approval.

^{F1943}]

Textual Amendments

^{F1943}Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1944}**638** ~~Z~~**arsonal pension arrangements with more than one pension date etc.**

^{F1945}]

Textual Amendments

^{F1944}S. 638ZA inserted (6.4.2001) by [Finance Act 2000 \(c. 17\)](#), [Sch. 13 para. 14](#) (with [Sch 13 Pt. 2](#))

^{F1945}Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1946}**638** ~~R~~**ower to prescribe restrictions on approval.**

^{F1947}]

Textual Amendments

^{F1946}S. 638A inserted (31.7.1998) by [Finance Act 1998 \(c. 36\)](#), [s. 94\(1\)](#)

^{F1947}Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

Tax reliefs

639 Member's contributions.

^{F1948}]

Textual Amendments

^{F1948}Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

640 Maximum amount of deductions.

^{F1949}]

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1949Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1950}**640** ~~Earnings cap.~~

F1951]

Textual Amendments

F1950S. 640A inserted (with effect in accordance with [Sch. 7 para. 4\(2\)](#) of the amending Act) by [Finance Act 1989 \(c. 26\)](#), [Sch. 7 para. 4\(1\)](#)

F1951Ss. 630-640A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

641 Carry-back of contributions.

F1952

Textual Amendments

F1952S. 641 repealed (with effect in accordance with [Sch. 13 para. 17](#) of the repealing Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 40 Pt. 2\(4\)](#), Note 3 (with [Sch. 13 Pt. 2](#))

[^{F1953}**641** ~~Election for contributions to be treated as paid in previous year.~~

F1954]

Textual Amendments

F1953S. 641A inserted (with effect in accordance with [Sch. 13 para. 18\(2\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 13 para. 18\(1\)](#) (with [Sch. 13 Pt. 2](#))

F1954S. 641A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

642 Carry-forward of relief.

F1955

Textual Amendments

F1955S. 642 repealed (with effect in accordance with [Sch. 13 para. 19](#) of the repealing Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 40 Pt. 2\(4\)](#), Note 4 (with [Sch. 13 Pt. 2](#))

643 Employer’s contributions and personal pension income etc.

F1956

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F1956Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

644 Meaning of “relevant earnings”.

F1957

Textual Amendments

F1957Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

645 Earnings from pensionable employment.

F1958

Textual Amendments

F1958Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

646 Meaning of “net relevant earnings”.

F1959

Textual Amendments

F1959Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1960}**646A Earnings from associated employments.**

F1961]

Textual Amendments

F1960S. 646A inserted (with effect in accordance with [Sch. 7 para. 8\(2\)](#) of the amending Act) by [Finance Act 1989 \(c. 26\)](#), [Sch. 7 para. 8\(1\)](#)

F1961Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1962}**646B Presumption of same level of relevant earnings etc for 5 years.**

F1963

Textual Amendments

F1962Ss. 646B, 646C inserted (with effect in accordance with [Sch. 13 para. 22\(2\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 13 para. 22\(1\)](#) (with [Sch. 13 Pt. 2](#))

F1963Ss. 643-646D repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

646C Provisions supplementary to section 646B.

F1964]

Textual Amendments

F1962Ss. 646B, 646C inserted (with effect in accordance with Sch. 13 para. 22(2) of the amending Act) by Finance Act 2000 (c. 17), Sch. 13 para. 22(1) (with Sch. 13 Pt. 2)

F1964Ss. 643-646D repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

[^{F1965}646D Higher level contributions after cessation of actual relevant earnings: modification of section 646B.

F1966]

Textual Amendments

F1965S. 646D inserted (with effect in accordance with Sch. 13 para. 23(2) of the amending Act) by Finance Act 2000 (c. 17), Sch. 13 para. 23(1) (with Sch. 13 Pt. 2)

F1966Ss. 643-646D repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

Charge to tax

647 Unauthorised payments.

F1967

Textual Amendments

F1967Ss. 647-648A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 96, Sch. 8 Pt. 1 (with Sch. 7)

648 Contributions under unapproved arrangements.

F1968

Textual Amendments

F1968Ss. 647-648A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 96, Sch. 8 Pt. 1 (with Sch. 7)

[^{F1969}^{F1970}

Textual Amendments

F1969S. 648A and preceding cross-heading inserted (with application in accordance with s. 109(2) of the amending Act) by Finance Act 1994 (c. 9), s. 109(1)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F1970 Cross-heading preceding s. 648A omitted (1.5.1995) by virtue of [Finance Act 1995 \(c. 4\)](#), **Sch. 11 para. 12**

648A Annuities: charge under Schedule E.

F1971

Textual Amendments
F1969S. 648A and preceding cross-heading inserted (with application in accordance with s. 109(2) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), **s. 109(1)**
F1971Ss. 647-648A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), **Sch. 6 para. 96, Sch. 8 Pt. 1** (with Sch. 7)

[**F1972** **648B** **F1973**]]

Textual Amendments
F1969S. 648A and preceding cross-heading inserted (with application in accordance with s. 109(2) of the amending Act) by [Finance Act 1994 \(c. 9\)](#), **s. 109(1)**
F1972S. 648B inserted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), **Sch. 11 para. 12**
F1973Ss. 648B-651A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

Miscellaneous

649 Minimum contributions under Social Security Act 1986.

F1974

Textual Amendments
F1974Ss. 648B-651A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

650 Withdrawal of approval.

F1975

Textual Amendments
F1975Ss. 648B-651A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

[**F1976** **650A** **Charge on withdrawal of approval from arrangements.**

F1977]

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F1976S. 650A inserted (with effect in accordance with s. 95(4) of the amending Act) by [Finance Act 1998 \(c. 36\), s. 95\(1\)](#)
F1977Ss. 648B-651A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

651 Appeals.

F1978

Textual Amendments

F1978Ss. 648B-651A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1979}**651A** **Information powers.**

F1980

Textual Amendments

F1979S. 651A inserted (31.7.1998) by [Finance Act 1998 \(c. 36\), s. 96\(1\)](#)
F1980Ss. 648B-651A repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

652 Information about payments.

F1981

Textual Amendments

F1981S. 652 repealed (1.10.2000) by [Finance Act 1998 \(c. 36\), s. 96\(4\), Sch. 27 Pt. 3\(21\)](#), Note; [S.I. 2000/2319, art. 2](#)

653 Information: penalties.

F1982

Textual Amendments

F1982Ss. 653-655 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1983}**653A** **Notices to be given to scheme administrator.**

F1984

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F1983S. 653A inserted (with effect in accordance with s. 97(2) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [s. 97\(1\)](#)
F1984Ss. 653-655 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

654 Remuneration of Ministers and other officers.

F1985

Textual Amendments

F1985Ss. 653-655 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

655 Transitional provisions.

F1986

Textual Amendments

F1986Ss. 653-655 repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), [Sch. 42 Pt. 3](#), Note (with Sch. 36)

CHAPTER V

PURCHASED LIFE ANNUITIES

656 Purchased life annuities other than retirement annuities.

F1987

Textual Amendments

F1987Ss. 656-658 omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 8](#)

657 Purchased life annuities to which section 656 applies.

F1988

Textual Amendments

F1988Ss. 656-658 omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 8](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

658 Supplementary.

F1989
.....

Textual Amendments

F1989Ss. 656-658 omitted (with effect in accordance with Sch. 14 para. 18(1) of the repealing Act) by virtue of Finance Act 2008 (c. 9), **Sch. 14 para. 8**

CHAPTER VI

MISCELLANEOUS

[^{F1990}**658** **Charges and assessments on administrators.**

F1991
.....]

Textual Amendments

F1990S. 658A inserted (retrospectively) by Finance Act 1998 (c. 36), **s. 98(1)**

F1991S. 658A repealed (6.4.2006) by Finance Act 2004 (c. 12), **Sch. 42 Pt. 3**, Note (with Sch. 36)

^{F1992}**659** **Financial futures and traded options.**

.....

Textual Amendments

F1992S. 659 repealed (with effect in accordance with s. 81(7)(8) of the repealing Act) by Finance Act 1990 (c. 29), s. 81(4), **Sch. 19 Pt. 4**, Note 9

[^{F1993}**659** **Futures and options.**

- (1) For the purposes of sections ^{F1994} . . . 613(4), 614(3) and (4) ^{F1994} . . . —
- (a) “investments” (or “investment”) includes futures contracts and options contracts, and
 - (b) income derived from transactions relating to such contracts shall be regarded as income derived from (or income from) such contracts.

F1994
.....

- (2) For the purposes of subsection (1) above a contract is not prevented from being a futures contract or an options contract by the fact that any party is or may be entitled to receive or liable to make, or entitled to receive and liable to make, only a payment of a sum (as opposed to a transfer of assets other than money) in full settlement of all obligations.]

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

- F1993S. 659A** inserted (with effect in accordance with s. 81(5) of the amending Act) by [Finance Act 1990 \(c. 29\), s. 81\(2\)](#)
- F1994** Words in s. 659A(1) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1995} 659B Definition of insurance company.

^{F1996}

Textual Amendments

- F1995Ss. 659B, 659C** inserted (with effect in accordance with s. 60 of the amending Act) by [Finance Act 1995 \(c. 4\), s. 59\(5\)](#)
- F1996Ss. 659B-659D** repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

659C Effect of appointment or arrangements under section 659B.

^{F1997}]

Textual Amendments

- F1995Ss. 659B, 659C** inserted (with effect in accordance with s. 60 of the amending Act) by [Finance Act 1995 \(c. 4\), s. 59\(5\)](#)
- F1997Ss. 659B-659D** repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F1998} 659D Interpretation of provisions about pension sharing.

^{F1999}]

Textual Amendments

- F1998S. 659D** inserted (27.7.1999) by [Finance Act 1999 \(c. 16\), Sch. 10 para. 17](#)
- F1999Ss. 659B-659D** repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)

[^{F2000} 659E Treatment of income from property investment LLPs

- (1) The exemptions specified below do not apply to income derived from investments, deposits or other property held as a member of a property investment LLP [^{F2001}(see section 1004 of ITA 2007)].
- (2) The exemptions are those provided by—
 - ^{F2002}
 - ^{F2002}
 - section 613(4) (Parliamentary pension funds),
 - section 614(3) (certain colonial, &c. pension funds),
 - section 614(4) (the Overseas Service Pension Fund),

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

section 614(5) (other pension funds for overseas employees),

F2002

F2002

(3) The income to which subsection (1) above applies includes relevant stock lending fees, in relation to any investments, to which any of the provisions listed in subsection (2) above would apply by virtue of section 129B.

(4) Section 659A (treatment of futures and options) applies for the purposes of subsection (1) above.]

Textual Amendments

F2000S. 659E inserted (6.4.2001) by [Finance Act 2001 \(c. 9\)](#), s. 76(2), **Sch. 25 para. 2**

F2001 Words in s. 659E(1) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 143** (with Sch. 2)

F2002S. 659E(2): entries repealed (6.4.2006) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 3**, Note (with Sch. 36)

PART XV

SETTLEMENTS

Modifications etc. (not altering text)

C52 Pt. 15 modified (with effect in accordance with s. 105(1) of the modifying Act) by [Finance Act 1996 \(c. 8\)](#), **Sch. 13 para. 6(1)** (with Sch. 13 para. 16, Sch. 15)

[^{F2003}CHAPTER 1A

LIABILITY OF SETTLOR

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 17 para. 1**

Modifications etc. (not altering text)

C53 Pt. 15 Ch. 1A excluded (with effect in accordance with s. 44(6) of the affecting Act) by [Finance Act 2000 \(c. 17\)](#), **s. 44(1)**

C54 Pt. 15 Ch. 1A modified (with effect in accordance with s. 45(3) of the modifying Act) by [Finance Act 2000 \(c. 17\)](#), **s. 45(1)**

Main provisions

660A Income arising under settlement where settlor retains an interest.

F2004

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Textual Amendments

F2004Ss. 660A, 660B repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 271, Sch. 3 \(with Sch. 2\)](#)

660B Payments to unmarried minor children of settlor.

F2005

Textual Amendments

F2005Ss. 660A, 660B repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 271, Sch. 3 \(with Sch. 2\)](#)

660C Nature of charge on settlor.

- (1) **F2006**
- F2007**(1A) [**F2006**]
- (2) **F2006**
- (3) **F2008**
- F2009**(4) [**F2010**]

Textual Amendments

- F2006**S. 660C(1)-(2) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 272\(2\), Sch. 3 \(with Sch. 2\)](#)
- F2007**S. 660C(1A) inserted (with effect in accordance with [Sch. 4 para. 14\(4\)](#) of the amending Act) by [Finance \(No. 2\) Act 1997 \(c. 58\), Sch. 4 para. 14\(3\)](#)
- F2008**S. 660C(3) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 144, Sch. 3 Pt. 1 \(with Sch. 2\)](#)
- F2009**S. 660C(4) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 272\(4\) \(with Sch. 2\)](#)
- F2010**S. 660C(4) repealed (with effect in accordance with [Sch. 5 para. 2\(2\)\(3\)](#) of the repealing Act) by [Finance Act 2007 \(c. 11\), Sch. 5 para. 2\(1\), Sch. 27 Pt. 2\(3\), Note](#)

660D Adjustments between settlor and trustees, &c.

F2011

Textual Amendments

F2011Ss. 660D-660G repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 273, Sch. 3 \(with Sch. 2\)](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Supplementary provisions

660E Application to settlements by two or more settlors.

F2012

Textual Amendments

F2012 Ss. 660D-660G repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 273, **Sch. 3** (with Sch. 2)

660F Power to obtain information.

F2013

Textual Amendments

F2013 Ss. 660D-660G repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 273, **Sch. 3** (with Sch. 2)

660G Meaning of “settlement” and related expressions.

F2014]

Textual Amendments

F2014 Ss. 660D-660G repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 273, **Sch. 3** (with Sch. 2)

CHAPTER I

DISPOSITIONS FOR SHORT PERIODS

F2003 660 Dispositions for period which cannot exceed six years.

.....

Textual Amendments

F2003 Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by Finance Act 1995 (c. 4), **Sch. 17 para. 1**

F2003 661 Adjustments between disponor and trustees.

.....

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

F2003 662 Application of Chapter I to dispositions by two or more disponors.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

CHAPTER II

SETTLEMENTS ON CHILDREN

F2003 663 The general rule.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

F2003 664 Accumulation settlements.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

F2003 665 Meaning of “irrevocable”.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F2003 666 Interest paid by trustees.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

F2003 667 Adjustments between disponor and trustees.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

F2003 668 Application of Chapter II to settlements by two or more settlors.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

F2003 669 Power to obtain information under Chapter II.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

F2003 670 Interpretation of Chapter II.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F2015}CHAPTER 1B

PROVISIONS AS TO CAPITAL SUMS PAID TO SETTLOR]

Textual Amendments

F2015Pt. 15 Ch. 1B heading inserted (with effect in accordance with s. 74(2) of the amending Act) by Finance Act 1995 (c. 4), Sch. 17 para. 8

^{F2003}671 Revocable settlements allowing release of obligation.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by Finance Act 1995 (c. 4), Sch. 17 para. 1

^{F2003}672 Revocable settlements allowing reversion of property.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by Finance Act 1995 (c. 4), Sch. 17 para. 1

^{F2003}673 Settlements where settlor retains an interest.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by Finance Act 1995 (c. 4), Sch. 17 para. 1

^{F2003}674 Settlements: discretionary power for benefit of settlor etc.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by Finance Act 1995 (c. 4), Sch. 17 para. 1

^{F2003}674^{F2016} Other settlements where settlor retains interest in settled property.]

.....

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

F20161989 s.109(1).

F2003 675 Provisions supplementary to sections 671 to 674.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

F2003 676 Disallowance of deduction from total income of certain sums paid by settlor.

.....

Textual Amendments

F2003Pt. 15 Ch. 1A inserted (in place of ss. 660-676, 683-685) (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 17 para. 1](#)

677 Sums paid to settlor otherwise than as income.

F2017

Textual Amendments

F2017S. 677 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 274](#), [Sch. 3](#) (with [Sch. 2](#))

678 Capital sums paid by body connected with settlement.

F2018

Textual Amendments

F2018S. 678 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 275](#), [Sch. 3](#) (with [Sch. 2](#))

679 Application of Chapter III to settlements by two or more settlors.

F2019

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F2019Ss. 679-681 repealed (with effect in accordance with Sch. 29 Pt. 8(8) Note of the repealing Act) by Finance Act 1995 (c. 4), **Sch. 29 Pt. 8(8)**

680 Power to obtain information for purposes of Chapter III.

F2020

Textual Amendments

F2020Ss. 679-681 repealed (with effect in accordance with Sch. 29 Pt. 8(8) Note of the repealing Act) by Finance Act 1995 (c. 4), **Sch. 29 Pt. 8(8)**

681 Interpretation of Chapter III.

F2021

Textual Amendments

F2021Ss. 679-681 repealed (with effect in accordance with Sch. 29 Pt. 8(8) Note of the repealing Act) by Finance Act 1995 (c. 4), **Sch. 29 Pt. 8(8)**

682 Ascertainment of undistributed income.

F2022

Textual Amendments

F2022Ss. 682, 682A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 276, **Sch. 3** (with Sch. 2)

[^{F2023}**682A Supplementary provisions.**

F2024]

Textual Amendments

F2023S. 682A inserted (with effect in accordance with s. 74(2) of the amending Act) by Finance Act 1995 (c. 4), **Sch. 17 para. 11**

F2024Ss. 682, 682A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 276, **Sch. 3** (with Sch. 2)

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[^{F2025}CHAPTER 1C

LIABILITY OF TRUSTEES]

Textual Amendments

F2025Pt. 15 Ch. 1C heading substituted for heading before s. 686 (with effect in accordance with s. 74(2) of the amending Act) by Finance Act 1995 (c. 4), Sch. 17 para. 12

Modifications etc. (not altering text)

C55 Pt. 15 Ch. 1C modified (6.4.2005 with effect in accordance with s. 883(1) of the modifying Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 457(1)(3) (with Sch. 2)

F2026
.....

Textual Amendments

F2026Ss. 683-685 repealed (with effect in accordance with Sch. 29 Pt. 8(8) Note of the repealing Act) by Finance Act 1995 (c. 4), Sch. 29 Pt. 8(8)

683 Settlements made after 6th April 1965.

F2027
.....

Textual Amendments

F2027Ss. 683-685 repealed (with effect in accordance with Sch. 29 Pt. 8(8) Note of the repealing Act) by Finance Act 1995 (c. 4), Sch. 29 Pt. 8(8)

684 Settlements made before 7th April 1965 but after 9th April 1946.

F2028
.....

Textual Amendments

F2028Ss. 683-685 repealed (with effect in accordance with Sch. 29 Pt. 8(8) Note of the repealing Act) by Finance Act 1995 (c. 4), Sch. 29 Pt. 8(8)

685 Provisions supplementary to sections 683 and 684.

F2029
.....

Textual Amendments

F2029Ss. 683-685 repealed (with effect in accordance with Sch. 29 Pt. 8(8) Note of the repealing Act) by Finance Act 1995 (c. 4), Sch. 29 Pt. 8(8)

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F2030 . . .

Textual Amendments

F2030 Cross-heading before s. 686 replaced by Pt. 15 Ch. 1C heading (with effect in accordance with s. 74(2) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), **Sch. 17 para. 12**

[^{F2031} **685 Meaning of “settled property”**

F2032

Textual Amendments

F2031 Ss. 685A–685G inserted (coming into force and with effect in accordance with [Sch. 13 para. 1\(2\)–\(6\)](#) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), **Sch. 13 para. 1(1)**

F2032 Ss. 685A–687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 145](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))

685B Meaning of “settlor”

F2033

Textual Amendments

F2031 Ss. 685A–685G inserted (coming into force and with effect in accordance with [Sch. 13 para. 1\(2\)–\(6\)](#) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), **Sch. 13 para. 1(1)**

F2033 Ss. 685A–687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 145](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))

685C Transfer between settlements: identification of settlor

F2034

Textual Amendments

F2031 Ss. 685A–685G inserted (coming into force and with effect in accordance with [Sch. 13 para. 1\(2\)–\(6\)](#) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), **Sch. 13 para. 1(1)**

F2034 Ss. 685A–687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 145](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))

685D Variation of will or intestacy, etc: identification of settlor

F2035

Textual Amendments

F2031 Ss. 685A–685G inserted (coming into force and with effect in accordance with [Sch. 13 para. 1\(2\)–\(6\)](#) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), **Sch. 13 para. 1(1)**

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F2035 Ss. 685A-687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 145, **Sch. 3 Pt. 1** (with Sch. 2)

685E Trustees of settlements

F2036

Textual Amendments

F2031 Ss. 685A-685G inserted (coming into force and with effect in accordance with Sch. 13 para. 1(2)-(6) of the amending Act) by Finance Act 2006 (c. 25), **Sch. 13 para. 1(1)**

F2036 Ss. 685A-687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 145, **Sch. 3 Pt. 1** (with Sch. 2)

685F Application of section 739 and 740

F2037

Textual Amendments

F2031 Ss. 685A-685G inserted (coming into force and with effect in accordance with Sch. 13 para. 1(2)-(6) of the amending Act) by Finance Act 2006 (c. 25), **Sch. 13 para. 1(1)**

F2037 Ss. 685A-687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 145, **Sch. 3 Pt. 1** (with Sch. 2)

685G Sub-funds

F2038]

Textual Amendments

F2031 Ss. 685A-685G inserted (coming into force and with effect in accordance with Sch. 13 para. 1(2)-(6) of the amending Act) by Finance Act 2006 (c. 25), **Sch. 13 para. 1(1)**

F2038 Ss. 685A-687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 145, **Sch. 3 Pt. 1** (with Sch. 2)

686 [^{F2039}Accumulation and discretionary trusts: special rates of tax.]

F2040

Textual Amendments

F2039 S. 686 sidenote substituted (with effect in accordance with s. 32(11) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), **s. 32(8)**

F2040 Ss. 685A-687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 145, **Sch. 3 Pt. 1** (with Sch. 2)

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[^{F2041}**686A Receipts to be treated as income to which section 686 applies**

F2042]

Textual Amendments

F2041 S. 686A inserted (with effect in accordance with s. 32(11) of the amending Act) by Finance (No. 2) Act 1997 (c. 58), s. 32(9)

F2042 Ss. 685A-687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 145, Sch. 3 Pt. 1 (with Sch. 2) (subject to an amendment to s. 686A(2)(a) by Finance Act 2007 (c. 11), s. 55(1)(3))

[^{F2043}**686B Share incentive plans: distributions in respect of unappropriated shares**

F2044]

Textual Amendments

F2043 Ss. 686B, 686C inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 100 (with Sch. 2 para. 87, Sch. 7)

F2044 Ss. 685A-687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 145, Sch. 3 Pt. 1 (with Sch. 2)

686C Interpretation of section 686B

F2045]

Textual Amendments

F2043 Ss. 686B, 686C inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 100 (with Sch. 2 para. 87, Sch. 7)

F2045 Ss. 685A-687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 145, Sch. 3 Pt. 1 (with Sch. 2)

[^{F2046}**686D Special trust rates not to apply to first slice of trust income**

F2047]

Textual Amendments

F2046 S. 686D inserted (with effect in accordance with s. 14(5) of the amending Act) by Finance Act 2005 (c. 7), s. 14(1)

F2047 Ss. 685A-687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 145, Sch. 3 Pt. 1 (with Sch. 2)

[^{F2048}**686E Application of section 686D where settlor has made more than one settlement**

F2049]

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

- F2048**S. 686E inserted (6.4.2006) by [Finance Act 2006 \(c. 25\)](#), **Sch. 13 para. 4(2)(3)**
- F2049**Ss. 685A-687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 145, **Sch. 3 Pt. 1** (with Sch. 2)

687 Payments under discretionary trusts.

F2050

Textual Amendments

- F2050**Ss. 685A-687 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), Sch. 1 para. 145, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2051}**687A**^{F2052}**Discretionary payments by trustees to companies].**

F2053

Textual Amendments

- F2051**S. 687A inserted (with effect in accordance with s. 27(2) of the amending Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), **s. 27(1)**
- F2052**Words in s. 687A sidenote substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), **Sch. 1 para. 146(5)** (with Sch. 2)
- F2053**S. 687A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), Sch. 1 para. 92, **Sch. 3 Pt. 1** (with Sch. 2)

688 Schemes for employees and directors to acquire shares.

F2054

Textual Amendments

- F2054**S. 688 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 279, **Sch. 3** (with Sch. 2)

689 Recovery from trustees of discretionary trusts of higher rate tax due from beneficiaries.

F2055

Textual Amendments

- F2055**S. 689 repealed (with effect in accordance with s. 74(2), Sch. 29 Pt. 8(8) Note of the repealing Act) by [Finance Act 1995 \(c. 4\)](#), Sch. 17 para. 15, **Sch. 29 Pt. 8(8)**

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[^{F2056}CHAPTER 1D

TRUST MANAGEMENT EXPENSES

Textual Amendments

F2056Pt. 15 Ch. 1D (ss. 689A, 689B) inserted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by Finance Act 1996 (c. 8), Sch. 6 para. 16

689A Disregard of expenses where beneficiary non-resident.

F2057

Textual Amendments

F2057S. 689A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 147, Sch. 3 Pt. 1 (with Sch. 2)

689B Order in which expenses to be set against income.

F2058]

Textual Amendments

F2058S. 689B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 93, Sch. 3 Pt. 1 (with Sch. 2)

CHAPTER V

MAINTENANCE FUNDS FOR HISTORIC BUILDINGS

690 Schedule 4 directions.

F2059

Textual Amendments

F2059Ss. 690-694 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 149, Sch. 3 Pt. 1 (with Sch. 2)

691 Certain income not to be income of settlor etc.

F2060

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2060Ss. 690-694 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 149, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

692 Reimbursement of settlor.

F2061

Textual Amendments

F2061Ss. 690-694 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 149, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

693 Severance of settled property for certain purposes.

F2062

Textual Amendments

F2062Ss. 690-694 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 149, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

694 [^{F2063}Trustees chargeable to income tax in certain cases at higher rate reduced by rate applicable to trusts]

F2064

Textual Amendments

F2063S. 694 sidenote substituted (22.7.2004) by [Finance Act 2004 \(c. 12\), Sch. 4 para. 2](#)
F2064Ss. 690-694 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 149, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

PART XVI

ESTATES OF DECEASED PERSONS IN COURSE OF ADMINISTRATION

695 Limited interests in residue.

F2065

Textual Amendments

F2065S. 695 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 204, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

696 Absolute interests in residue.

F2066
.....

Textual Amendments
F2066S. 696 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 205, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

697 Supplementary provisions as to absolute interests in residue.

F2067
.....

Textual Amendments
F2067S. 697 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 206, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

698 Special provisions as to certain interests in residue.

F2068
.....

Textual Amendments
F2068S. 698 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 207, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F2070}**698A Taxation of income of beneficiaries at lower rate or at rates applicable to**
^{F2069}**distribution] income.**

F2071
.....]

Textual Amendments
F2069Word in s. 698A sidenote substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 288(5)** (with Sch. 2)
F2070S. 698A inserted (27.7.1993 with effect for the year 1993-1994 and subsequent years of assessment) by 1993 c. 34, s. 79, Sch. 6 paras. 11(2), **25(1)**
F2071S. 698A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 150, **Sch. 3 Pt. 1** (with Sch. 2)

699 Relief from higher rate tax for inheritance tax on accrued income.

F2072
.....

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2072S. 699 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 289, Sch. 3](#) (with Sch. 2)

[^{F2073}**699A** **Untaxed sums comprised in the income of the estate.**

F2074

Textual Amendments

F2073S. 699A inserted (with effect in accordance with s. 76(6) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 76\(4\)](#)

F2074S. 699A repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 208, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

700 Adjustments and information.

F2075

Textual Amendments

F2075S. 700 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 7 para. 45, Sch. 10 Pt. 12](#) (with Sch. 9)

701 Interpretation.

F2076

Textual Amendments

F2076S. 701 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 210, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

702 Application to Scotland.

F2077

Textual Amendments

F2077S. 702 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 211, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)

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PART XVII

TAX AVOIDANCE

[^{F2078}CHAPTER I

CANCELLATION OF [^{F2079}CORPORATION TAX] ADVANTAGES FROM CERTAIN TRANSACTIONS IN SECURITIES]

Textual Amendments

F2078 Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 94](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F2079 Words in Pt. 17 Ch. 1 heading substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 153](#) (with [Sch. 2](#))

703 Cancellation of [^{F2080}corporation tax] advantage.

^{F2081}

Textual Amendments

F2080 Words in s. 703 sidenote substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 154\(10\)](#) (with [Sch. 2](#))

F2081 Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 94](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

704 The prescribed circumstances.

^{F2082}

Textual Amendments

F2082 Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 94](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

705 Appeals against Board's notices under section 703.

^{F2083}

Textual Amendments

F2083 Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 94](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F2084}705] Statement of case by tribunal for opinion of High Court.

^{F2085}

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Textual Amendments

F2084Ss. 705A, 705B inserted (1.1.1994) by The General and Special Commissioners (Amendment of Enactments) Regulations 1994 (S.I. 1994/1813), reg. 1(1), **Sch. 1 para. 24**

F2085Ss. 705A, 705B, 706 omitted (1.4.2009) by virtue of The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 152**

705B Proceedings in Northern Ireland.

F2086]

Textual Amendments

F2084Ss. 705A, 705B inserted (1.1.1994) by The General and Special Commissioners (Amendment of Enactments) Regulations 1994 (S.I. 1994/1813), reg. 1(1), **Sch. 1 para. 24**

F2086Ss. 705A, 705B, 706 omitted (1.4.2009) by virtue of The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 152**

706 The tribunal.

F2087

Textual Amendments

F2087Ss. 705A, 705B, 706 omitted (1.4.2009) by virtue of The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 (S.I. 2009/56), art. 1(2), **Sch. 1 para. 152**

707 Procedure for clearance in advance.

F2088

Textual Amendments

F2088Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 94, **Sch. 3 Pt. 1** (with Sch. 2)

708 Power to obtain information.

F2089

Textual Amendments

F2089S. 708 omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 1, Sch. para. 19

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709 Meaning of [^{F2090}“corporation tax advantage”] and other expressions.

^{F2091}

Textual Amendments
F2090 Words in s. 709 sidenote substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 161\(5\)](#) (with [Sch. 2](#))
F2091 Pt. 17 Ch. 1 (ss. 703-709) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 94](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

CHAPTER II

TRANSFERS OF SECURITIES

Transfers with or without accrued interest: introductory

710 Meaning of “securities”, “transfer” etc. for purposes of sections 711 to 728.

^{F2092}

Textual Amendments
F2092 Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 162](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

711 Meaning of “interest”, “transfers with or without accrued interest” etc.

^{F2093}

Textual Amendments
F2093 Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 162](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

712 Meaning of “settlement day” for purposes of sections 711 to 728.

^{F2094}

Textual Amendments
F2094 Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 162](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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Transfers with or without accrued interest: charge to tax and reliefs

713 Deemed sums and reliefs.

F2095

Textual Amendments

F2095Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

714 Treatment of deemed sums and reliefs.

F2096

Textual Amendments

F2096Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

715 Exceptions from sections 713 and 714

F2097

Textual Amendments

F2097Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

716 Transfer of unrealised interest.

F2098

Textual Amendments

F2098Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

717 Variable interest rate.

F2099

Textual Amendments

F2099Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

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718 Interest in default.

F2100

Textual Amendments

F2100 Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

719 Unrealised interest in default

F2101

Textual Amendments

F2101 Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

Transfers with or without accrued interest: supplemental

720 Nominees, trustees etc.

F2102

Textual Amendments

F2102 Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

721 Death.

F2103

Textual Amendments

F2103 Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

722 Trading stock.

F2104

Textual Amendments

F2104 Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

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[^{F2105}**722** **Gilt strips: deemed transfer.**
F2106

Textual Amendments

F2105S. 722A inserted (29.4.1996) by [Finance Act 1996 \(c. 8\)](#), [Sch. 40 para. 6](#)

F2106Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 162](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

723 Foreign securities: delayed remittances

F2107

Textual Amendments

F2107Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 162](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

724 Insurance companies.

F2108

Textual Amendments

F2108S. 724 repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 41 Pt. 5\(3\)](#), Note

^{F2109}**725**

Textual Amendments

F2109S. 725 repealed (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by [1993 c. 34, s. 213](#), [Sch. 23 Pt. III\(12\)](#) Note 5

^{F2110}**726**

Textual Amendments

F2110S. 726 repealed (for the year 1991-92 and subsequent years of assessment) by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), [s. 123](#), [Sch. 19 Pt. V](#), Note 6

[^{F2111}**726A** **New issues of securities.**
F2112

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2111 S. 726A inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 54, Sch. 12 paras. 2, 5

F2112 Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

727 Stock lending.

F2113

Textual Amendments

F2113 Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2114}727A Exception for sale and repurchase of securities.

F2115]

Textual Amendments

F2114 S. 727A inserted (with effect in accordance with s. 79(3) of the amending Act) by Finance Act 1995 (c. 4), s. 79(1) (with s. 79(4))

F2115 Ss. 710-727A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 162, **Sch. 3 Pt. 1** (with Sch. 2)

728 Information.

F2116

Textual Amendments

F2116 S. 728 omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 1, Sch. para. 20

Other transfers of securities

729 Sale and repurchase of securities.

F2117

Textual Amendments

F2117 S. 729 repealed (with effect in accordance with s. 159(1)(10) of the repealing Act) by Finance Act 1996 (c. 8), s. 159(1), **Sch. 41 Pt. 5(21)**, Note; S.I. 1996/2646, **art. 2**

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730 [^{F2118}**T**ransfers of rights to receive distributions in respect of shares]

F2119
.....

Textual Amendments

F2118S. 730 heading substituted (with effect in accordance with Sch. 7 para. 2(13) of the amending Act) by virtue of Finance (No. 2) Act 2005 (c. 22), Sch. 7 para. 2(12)

F2119S. 730 omitted (with effect in accordance with Sch. 25 para. 10 of the repealing Act) by virtue of Finance Act 2009 (c. 10), Sch. 25 para. 9(1)(a)

[^{F2120}**A**treatment of price differential on sale and repurchase of securities.

F2121
.....

Textual Amendments

F2120Ss. 730A, 730B inserted (with effect in accordance with s. 80(5) of the amending Act) by Finance Act 1995 (c. 4), s. 80(1)

F2121Ss. 730A, 730B repealed (with effect in accordance with S.I. 2007/2483, art. 3) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 4, Sch. 27 Pt. 2(14), Note

730B Interpretation of section 730A.

F2122
.....]

Textual Amendments

F2120Ss. 730A, 730B inserted (with effect in accordance with s. 80(5) of the amending Act) by Finance Act 1995 (c. 4), s. 80(1)

F2122Ss. 730A, 730B repealed (with effect in accordance with S.I. 2007/2483, art. 3) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 4, Sch. 27 Pt. 2(14), Note

[^{F2123}**B**change gains and losses on sale and repurchase of securities

F2124
.....]

Textual Amendments

F2123S. 730BB inserted (with effect in accordance with Sch. 38 para. 21(2) of the amending Act) by Finance Act 2003 (c. 14), Sch. 38 para. 12

F2124S. 730BB repealed (with effect in accordance with S.I. 2007/2483, art. 3) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 5, Sch. 27 Pt. 2(14), Note

[^{F2125}**C**exchanges of gilts: traders etc.

F2126
.....]

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Textual Amendments

F2125S. 730C inserted (29.4.1996) by [Finance Act 1996 \(c. 8\)](#), [Sch. 40 para. 7](#)

F2126S. 730C repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 301](#), [Sch. 3](#) (with [Sch. 2](#))

Purchase and sale of securities

731 Application and interpretation of sections 732 to 734.

F2127

Textual Amendments

F2127Ss. 731-735 omitted (with effect in accordance with s. 66(6) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 66\(1\)\(c\)](#) (subject to modification to [s. 731](#) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 2 para. 144](#))

732 Dealers in securities.

F2128

Textual Amendments

F2128Ss. 731-735 omitted (with effect in accordance with s. 66(6) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 66\(1\)\(c\)](#)

733 Persons entitled to exemptions.

F2129

Textual Amendments

F2129Ss. 731-735 omitted (with effect in accordance with s. 66(6) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 66\(1\)\(c\)](#)

734 Persons other than dealers in securities.

F2130

Textual Amendments

F2130Ss. 731-735 omitted (with effect in accordance with s. 66(6) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [s. 66\(1\)\(c\)](#)

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735 Meaning of “appropriate amount in respect of” interest.

F2131

Textual Amendments

F2131Ss. 731-735 omitted (with effect in accordance with s. 66(6) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 66(1)(c)

Miscellaneous provisions relating to securities

736 Company dealing in securities: distribution materially reducing value of holding.

F2132

Textual Amendments

F2132S. 736 omitted (with effect in accordance with s. 66(7) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 66(1)(d)

[^{F2133}**736**Manufactured dividends and interest.

F2134]

Textual Amendments

F2133S. 736A inserted by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), s. 58(1) (with effect as mentioned in s. 58(3) in relation to payments made on or after such day as may be specified: 26.2.1992 specified for certain purposes by S.I. 1992/173, [reg. 2\(a\)](#); 30.6.1992 specified for certain purposes by S.I. 1992/1346, [regs. 2, 3, 4](#); 21.4.1993 specified for certain purposes by S.I. 1993/933, [regs. 2, 3\(a\), 4\(1\)](#))
F2134S. 736A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), Sch. 1 para. 95, [Sch. 3 Pt. 1](#) (with Sch. 2)

[^{F2135}**736**Deemed manufactured payments in the case of stock lending arrangements.

F2136]

Textual Amendments

F2135S. 736B inserted (with effect in accordance with [Sch. 10 para. 7\(1\)](#) of the amending Act) by [Finance Act 1997 \(c. 16\)](#), [Sch. 10 para. 3](#); S.I. 1997/991, [art. 2](#)
F2136S. 736B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), Sch. 1 para. 96, [Sch. 3 Pt. 1](#) (with Sch. 2)

[^{F2137}**736**Deemed interest: cash collateral under stock lending arrangements

F2138]

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Textual Amendments

- F2137S.** 736C inserted (with effect in accordance with Sch. 6 para. 3(2)-(4) of the amending Act) by Finance Act 2006 (c. 25), **Sch. 6 para. 3(1)**
- F2138S.** 736C omitted (22.4.2009) by virtue of Finance Act 2009 (c. 10), Sch. 24 paras. 8(a)(i), **12** (with Sch. 24 paras. 13-16)

[^{F2139}**736D** Quasi-stock lending arrangements and quasi-cash collateral

F2140]

Textual Amendments

- F2139S.** 736D inserted (with effect in accordance with Sch. 6 para. 4(4) of the amending Act) by Finance Act 2006 (c. 25), **Sch. 6 para. 4(3)**
- F2140S.** 736D omitted (22.4.2009) by virtue of Finance Act 2009 (c. 10), Sch. 24 paras. 8(a)(ii), **12** (with Sch. 24 paras. 13-16)

737 Manufactured dividends: treatment of tax deducted.

F2141

Textual Amendments

- F2141S.** 737 repealed (with effect in accordance with Sch. 10 para. 16(1), Sch. 18 Pt. 6(10) Notes 3, 6 of the repealing Act) by Finance Act 1997 (c. 16), Sch. 10 para. 8, **Sch. 18 Pt. 6(10)** (with Sch. 10 para. 16(3)); S.I. 1997/991, **art. 2**

[^{F2142}**737A** Sale and repurchase of securities: deemed manufactured payments.

F2143

Textual Amendments

- F2142Ss.** 737A-737C inserted (3.5.1994) by Finance Act 1994 (c. 9), **s. 122**
- F2143Ss.** 737A-737C repealed (with effect in accordance with S.I. 2007/2483, **art. 3**) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 7, **Sch. 27 Pt. 2(14)**, Note

737B Interpretation of section 737A.

F2144

Textual Amendments

- F2142Ss.** 737A-737C inserted (3.5.1994) by Finance Act 1994 (c. 9), **s. 122**
- F2144Ss.** 737A-737C repealed (with effect in accordance with S.I. 2007/2483, **art. 3**) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 7, **Sch. 27 Pt. 2(14)**, Note

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

737C Deemed manufactured payments: further provisions.

F2145]

Textual Amendments

F2142Ss. 737A-737C inserted (3.5.1994) by Finance Act 1994 (c. 9), s. 122

F2145Ss. 737A-737C repealed (with effect in accordance with S.I. 2007/2483, art. 3) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 7, Sch. 27 Pt. 2(14), Note

Supplemental

[^{F2146}737D Power to provide for manufactured payments to be eligible for relief.

F2147]

Textual Amendments

F2146Ss. 737D, 737E inserted (1.5.1995) by Finance Act 1995 (c. 4), s. 83(1)

F2147S. 737D omitted (21.7.2008) by virtue of Finance Act 2008 (c. 9), Sch. 17 para. 35(1)

737E [^{F2148}Power to modify sections ^{F2149}... 730A, 730BB and 737A to 737C]

F2150]

Textual Amendments

F2146Ss. 737D, 737E inserted (1.5.1995) by Finance Act 1995 (c. 4), s. 83(1)

F2148S. 737E sidenote substituted (with effect in accordance with Sch. 38 para. 21(2) of the amending Act) by virtue of Finance Act 2003 (c. 14), Sch. 38 para. 13(4)

F2149Words in s. 737E sidenote repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 176(4), Sch. 3 Pt. 1 (with Sch. 2)

F2150S. 737E repealed (with effect in accordance with S.I. 2007/2483, art. 3) by Finance Act 2007 (c. 11), s. 47(4), Sch. 14 para. 8, Sch. 27 Pt. 2(14), Note

738 Power to amend sections 732, 735 and 737.

F2151]

Textual Amendments

F2151S. 738 omitted (with effect in accordance with s. 66(6)-(8) of the repealing Act) by virtue of Finance Act 2008 (c. 9), s. 66(4)(a)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

CHAPTER III

TRANSFER OF ASSETS ABROAD

739 Prevention of avoidance of income tax.

F2152

Textual Amendments

F2152Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 177, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

740 Liability of non-transferors.

F2153

Textual Amendments

F2153Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 177, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

741 [^{F2154}Exemption from sections 739 and 740 (transactions before 5th December 2005)]

F2155

Textual Amendments

F2154S. 741 sidenote substituted (5.12.2005) by virtue of [Finance Act 2006 \(c. 25\), Sch. 7 para. 2\(4\)\(5\)](#)
F2155Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 177, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F2156}741 Exemption from sections 739 and 740 (transactions on or after 5th December 2005)

F2157

Textual Amendments

F2156S. 741A inserted (5.12.2005) by [Finance Act 2006 \(c. 25\), Sch. 7 para. 3](#)
F2157Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 177, Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F2158}741A Application of sections 741 and 741A

F2159

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

- F2158**Ss. 741B, 741C inserted (5.12.2005) by [Finance Act 2006 \(c. 25\)](#), [Sch. 7 para. 4](#)
- F2159**Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 177](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

741C Cases where there are both old transactions and new transactions

F2160]

Textual Amendments

- F2158**Ss. 741B, 741C inserted (5.12.2005) by [Finance Act 2006 \(c. 25\)](#), [Sch. 7 para. 4](#)
- F2160**Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 177](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F2161}741B] Section 739: just and reasonable apportionment in certain cases

F2162]

Textual Amendments

- F2161**S. 741D inserted (5.12.2005) by [Finance Act 2006 \(c. 25\)](#), [Sch. 7 para. 5](#)
- F2162**Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 177](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

742 [^{F2163} Interpretation of this Chapter]

F2164

Textual Amendments

- F2163**S. 742 sidenote substituted (5.12.2005) by virtue of [Finance Act 2006 \(c. 25\)](#), [Sch. 7 para. 6\(5\)\(6\)](#)
- F2164**Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 177](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

743 Supplemental provisions.

F2165

Textual Amendments

- F2165**Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 177](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

744 No duplication of charge.

F2166

Textual Amendments

F2166Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 177](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

745 Power to obtain information.

F2167

Textual Amendments

F2167Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 177](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

746 Persons resident in the Republic of Ireland.

F2168

Textual Amendments

F2168Ss. 739-746 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 177](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F2169}CHAPTER IV

CONTROLLED FOREIGN COMPANIES]

Textual Amendments

F2169Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

747 Imputation of chargeable profits and creditable tax of controlled foreign companies

F2170

Textual Amendments

F2170Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F2171}**747A** **Special rule for computing chargeable profits.**

F2172]

Textual Amendments

F2171S. 747A inserted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), [Sch. 25 para. 2](#)

F2172S. 747A repealed (with effect in accordance with Sch. 4 para. 24(2) of the repealing Act) by [Finance Act 2005 \(c. 7\)](#), [Sch. 4 para. 24\(1\)](#), [Sch. 11 Pt. 2\(6\)](#), Note

748 [^{F2173}**Cases where section 747(3) does not apply.**]

F2174]

Textual Amendments

F2173S. 748 sidenote substituted (with effect in accordance with [Sch. 17 para. 37](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 17 para. 3\(9\)](#); S.I. 1998/3173, [art. 2](#)

F2174Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

[^{F2175}**748ZA** **Exclusion of small profits exemptions**

F2176]

Textual Amendments

F2175S. 748ZA inserted (with effect in accordance with [Sch. 12 para. 14\(2\)](#) of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 12 para. 5](#)

F2176Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

[^{F2177}**748A** **Territorial exclusions from exemption under section 748**

F2178]

Textual Amendments

F2177S. 748A inserted (with effect in accordance with [s. 89\(3\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [s. 89\(2\)](#)

F2178Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

[^{F2179}**749** **Residence.**

F2180]

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F2179Ss. 749-749B substituted for s. 749 (with effect in accordance with [Sch. 17 para. 37](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 17 para. 4](#); S.I. 1998/3173, [art. 2](#)

F2180Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

[^{F2181}749A Elections and designations under section 749: supplementary provisions.

F2182]

Textual Amendments

F2181Ss. 749-749B substituted for s. 749 (with effect in accordance with [Sch. 17 para. 37](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 17 para. 4](#); S.I. 1998/3173, [art. 2](#)

F2182Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

749B Interests in companies.

F2183]

Textual Amendments

F2181Ss. 749-749B substituted for s. 749 (with effect in accordance with [Sch. 17 para. 37](#) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [Sch. 17 para. 4](#); S.I. 1998/3173, [art. 2](#)

F2183Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

750 Territories with a lower level of taxation.

F2184]

Textual Amendments

F2184Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

[^{F2185}750A Deemed lower level of taxation: designer rate tax provisions.

F2186]

Textual Amendments

F2185S. 750A inserted (with effect in accordance with [Sch. 31 para. 9\(2\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 31 para. 3](#)

F2186Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

751 Accounting periods and creditable tax

F2187
.....

Textual Amendments

F2187Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

[^{F2188}751 Reduction in chargeable profits for certain activities of EEA business establishments

F2189
.....

Textual Amendments

F2188Ss. 751A, 751B inserted (with effect in accordance with [Sch. 15 para. 10](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 15 para. 5](#)

F2189Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

[^{F2190}751AA_{F2191} Reduction in chargeable profits for certain financing income

.....]

Textual Amendments

F2188Ss. 751A, 751B inserted (with effect in accordance with [Sch. 15 para. 10](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 15 para. 5](#)

F2190S. 751AA inserted (with effect in accordance with [Sch. 16 para. 25](#) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 16 para. 23](#)

F2191Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

[^{F2192}751AB_{F2193} Reduction in chargeable profits: failure to qualify for exemptions

.....]

Textual Amendments

F2188Ss. 751A, 751B inserted (with effect in accordance with [Sch. 15 para. 10](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 15 para. 5](#)

F2192S. 751AB inserted (with effect in accordance with [Sch. 12 para. 14\(2\)](#) of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 12 para. 2](#)

F2193Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of [Finance Act 2012 \(c. 14\)](#), [Sch. 20 para. 14](#)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

[^{F2194}**751A**^{F2195} **Reduction in chargeable profits following an exempt period**
.....]

Textual Amendments

- F2188**Ss. 751A, 751B inserted (with effect in accordance with Sch. 15 para. 10 of the amending Act) by Finance Act 2007 (c. 11), **Sch. 15 para. 5**
- F2194**S. 751AC inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 7**
- F2195**Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 20 para. 14**

751B [^{F2196}**Sections 751A** [^{F2197}**to 751AC**]]: supplementary
^{F2198}

Textual Amendments

- F2188**Ss. 751A, 751B inserted (with effect in accordance with Sch. 15 para. 10 of the amending Act) by Finance Act 2007 (c. 11), **Sch. 15 para. 5**
- F2196**Words in s. 751B heading substituted (with effect in accordance with Sch. 16 para. 25 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 16 para. 24(2)**
- F2197**Words in s. 751B heading substituted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), **Sch. 12 para. 12(6)**
- F2198**Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 20 para. 14**

[^{F2199}**752A** **Apportionment of chargeable profits and creditable tax**
^{F2200}

Textual Amendments

- F2199**Ss. 752-752C substituted for s. 752 (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 7**; S.I. 1998/3173, **art. 2**
- F2200**Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 20 para. 14**

[^{F2201}**752B** **Relevant interests.**
^{F2202}

Textual Amendments

- F2201**Ss. 752-752C substituted for s. 752 (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 7**; S.I. 1998/3173, **art. 2**
- F2202**Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 20 para. 14**

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

752B Section 752(3): the percentage of shares which a relevant interest represents.

F2203
.....

Textual Amendments

F2201Ss. 752-752C substituted for s. 752 (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 7; S.I. 1998/3173, art. 2

F2203Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 20 para. 14

752C Interpretation of apportionment provisions.

F2204
.....]

Textual Amendments

F2201Ss. 752-752C substituted for s. 752 (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 7; S.I. 1998/3173, art. 2

F2204Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 20 para. 14

753 Notices and appeals.

F2205
.....

Textual Amendments

F2205S. 753 repealed (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 8, Sch. 27 Pt. 3(27), Note; S.I. 1998/3173, art. 2

754 Assessment, recovery and postponement of tax.

F2206
.....

Textual Amendments

F2206Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 20 para. 14

[^{F2207}754A Returns where it is not established whether acceptable distribution policy applies.

F2208
.....]

Textual Amendments

F2207S. 754A inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 10; S.I. 1998/3173, art. 2

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

F2208S. 754A omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 2(2)** (with Sch. 16 paras. 7, 8)

[^{F2209}**754B Determinations requiring the sanction of the Board.**

F2210]

Textual Amendments

F2209S. 754B inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 11**; S.I. 1998/3173, **art. 2**

F2210Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 20 para. 14**

755 Information relating to controlled foreign companies

F2211]

Textual Amendments

F2211S. 755 repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 12, **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**

[^{F2212}**755A Treatment of chargeable profits and creditable tax apportioned to company carrying on life assurance business.**

F2213]

Textual Amendments

F2212S. 755A inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 13**; S.I. 1998/3173, **art. 2**

F2213Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 20 para. 14**

[^{F2214}**755B Amendment of return where general insurance business of foreign company accounted for on non-annual basis.**

F2215]

Textual Amendments

F2214S. 755B inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 14**; S.I. 1998/3173, **art. 2**

F2215Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 20 para. 14**

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[^{F2216}**755C** Application of Chapter where general insurance business of foreign company accounted for on non-annual basis.

F2217]

Textual Amendments

F2216S. 755C inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 15; S.I. 1998/3173, art. 2

F2217Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 20 para. 14

[^{F2218}**755D** Control" and the two "40 per cent" tests.

F2219]

Textual Amendments

F2218S. 755D inserted (with effect in accordance with Sch. 31 para. 9(3) of the amending Act) by Finance Act 2000 (c. 17), Sch. 31 para. 4(1)

F2219Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 20 para. 14

756 Interpretation and construction of Chapter IV.

F2220

Textual Amendments

F2220Pt. 17 Ch. 4 (ss. 747-756) omitted (with effect in accordance with Sch. 20 paras. 49, 50 of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 20 para. 14

[^{F2221}**CHAPTER V**

OFFSHORE FUNDS]

Textual Amendments

F2221Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by The Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001), regs. 1(1), 13(2)(3), Sch. 2 (with Sch. 1)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

F²²²²Meaning of offshore fund

Textual Amendments

F2222Ss. 756A-756C and preceding cross-headings inserted (with effect in accordance with s. 145(2) of the amending Act) by Finance Act 2004 (c. 12), **Sch. 26 para. 3** (with **Sch. 26 para. 17**)

756A General definition of offshore fund

F2223

Textual Amendments

F2223Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by **The Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001)**, regs. 1(1), 13(2)(3), **Sch. 2** (with **Sch. 1**)

Treatment of umbrella funds

756B Treatment of umbrella funds

F2224

Textual Amendments

F2224Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by **The Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001)**, regs. 1(1), 13(2)(3), **Sch. 2** (with **Sch. 1**)

Treatment of funds comprising more than one class of interest

756C Treatment of funds comprising more than one class of interest

F2225]

Textual Amendments

F2225Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by **The Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001)**, regs. 1(1), 13(2)(3), **Sch. 2** (with **Sch. 1**)

Material interests in non-qualifying offshore funds

757 Disposal of material interests in non-qualifying offshore funds

F2226

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2226Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

758 Offshore funds operating equalisation arrangements

F2227

Textual Amendments

F2227Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

759 Material interests in offshore funds

F2228

Textual Amendments

F2228Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

760 Non-qualifying offshore funds

F2229

Textual Amendments

F2229Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

Charge to tax of offshore income gains

761 Charge to income tax or corporation tax of offshore income gain.

F2230

Textual Amendments

F2230Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

762 Offshore income gains accruing to persons resident or domiciled abroad.

F2231

Textual Amendments

F2231 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

[^{F2232}**762ZA Offshore income gains: application of transfer of assets abroad provisions**

F2233

Textual Amendments

F2232 Ss. 762ZA, 762ZB inserted (with effect in accordance with [Sch. 7 para. 98](#) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 94](#)

F2233 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

762ZB Income treated as arising under section 761(1): remittance basis

F2234]

Textual Amendments

F2232 Ss. 762ZA, 762ZB inserted (with effect in accordance with [Sch. 7 para. 98](#) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 7 para. 94](#)

F2234 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

[^{F2235}**762A Exchange of interests of different classes**

F2236]

Textual Amendments

F2235 S. 762A inserted (with effect in accordance with s. 145(2) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [Sch. 26 para. 15\(1\)](#) (with [Sch. 26 para. 17](#))

F2236 Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

763 Deduction of offshore income gain in determining capital gain.

F2237

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2237Pt. 17 Ch. 5 (ss. 756A-763) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with [Sch. 1](#))

764 Offshore income gains of trustees.

F2238

Textual Amendments

F2238S. 764 repealed (6.4.2006) by [Finance Act 2006 \(c. 25\)](#), Sch. 13 paras. 23, 27(1), [Sch. 26 Pt. 3\(15\)](#), Note

CHAPTER VI

MISCELLANEOUS

Migration etc. of company

765 Migration etc. of companies.

F2239

Textual Amendments

F2239S. 765 omitted (with effect in accordance with Sch. 17 para. 13 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 17 para. 1\(a\)](#)

[^{F2240}**765**Movements of capital between residents of member States.

F2241]

Textual Amendments

F2240S. 765A inserted (with effect in accordance with s. 68(4) of the amending Act) by [Finance Act 1990 \(c. 29\)](#), s. 68(2)

F2241S. 765A omitted (with effect in accordance with Sch. 17 para. 13 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 17 para. 1\(b\)](#)

766 Offences under section 765.

F2242

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F2242S. 766 omitted (with effect in accordance with Sch. 17 para. 13 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 17 para. 1(c)**

767 Interpretation and commencement of sections 765 and 766.

F2243

Textual Amendments

F2243S. 767 omitted (with effect in accordance with Sch. 17 para. 13 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 17 para. 1(d)**

Change in ownership of company

[^{F2244}767 **Change in company ownership: corporation tax.**

F2245

Textual Amendments

F2244Ss. 767A, 767B inserted (with effect in accordance with s. 135(6) of the amending Act) by Finance Act 1994 (c. 9), **s. 135(1)**
F2245Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2246}767AA **Change in company ownership: postponed corporation tax.**

F2247]

Textual Amendments

F2244Ss. 767A, 767B inserted (with effect in accordance with s. 135(6) of the amending Act) by Finance Act 1994 (c. 9), **s. 135(1)**
F2246S. 767AA inserted (with effect in accordance with s. 114(2) of the amending Act) by Finance Act 1998 (c. 36), **s. 114(1)**
F2247Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, **Sch. 3 Pt. 1** (with Sch. 2)

767B Change of company ownership: supplementary.

F2248]

Textual Amendments

F2244Ss. 767A, 767B inserted (with effect in accordance with s. 135(6) of the amending Act) by Finance Act 1994 (c. 9), **s. 135(1)**

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F2248Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2249}**767C**Change in company ownership: information.

F2250
.....]

Textual Amendments

F2249S. 767C inserted (with effect in accordance with s. 115(3) of the amending Act) by Finance Act 1998 (c. 36), **s. 115(1)**

F2250S. 767C omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), **Sch. 36 para. 81** (with Sch. 36 para. 38); S.I. 2009/404, **art. 2** (with art. 6)

768 Change in ownership of company: disallowance of trading losses.

F2251
.....]

Textual Amendments

F2251Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, **Sch. 3 Pt. 1** (with Sch. 2) (subject to the omission of s. 768(9), so far as it continues to have effect, by virtue of Finance Act 2011 (c. 11), Sch. 23 paras. 55(d), **65**)

[^{F2252}**768C**Change in ownership: disallowance of carry back of trading losses.

F2253
.....]

Textual Amendments

F2252S. 768A inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 73(3)(4)(5), **Sch. 15 para. 20(1)**

F2253Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2254}**768B**^{F2255}**C**Change in ownership of company with investment business: deductions generally]

F2256
.....]

Textual Amendments

F2254Ss. 768B, 768C inserted (with application in accordance with Sch. 26 para. 5 of the amending Act) by Finance Act 1995 (c. 4), **Sch. 26 para. 2**

F2255S. 768B sidenote substituted (with effect in accordance with ss. 42-44 of the amending Act) by virtue of Finance Act 2004 (c. 12), **Sch. 6 para. 3(7)**

F2256Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, **Sch. 3 Pt. 1** (with Sch. 2)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

768C Deductions: asset transferred within group.

F2257]

Textual Amendments
F2254Ss. 768B, 768C inserted (with application in accordance with Sch. 26 para. 5 of the amending Act) by Finance Act 1995 (c. 4), Sch. 26 para. 2
F2257Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, Sch. 3 Pt. 1 (with Sch. 2)

[^{F2258}**768D Change in ownership of company carrying on property business.**

F2259]

Textual Amendments
F2258S. 768D inserted (with effect in accordance with s. 38(2)(3) of the amending Act) by Finance Act 1998 (c. 36), Sch. 5 para. 31 (with Sch. 5 para. 73)
F2259Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, Sch. 3 Pt. 1 (with Sch. 2)

[^{F2260}**768E Change in ownership of company with unused non-trading loss on intangible fixed assets**

F2261]

Textual Amendments
F2260S. 768E inserted (24.7.2002) by Finance Act 2002 (c. 23), Sch. 30 para. 4(3)
F2261Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, Sch. 3 Pt. 1 (with Sch. 2)

769 Rules for ascertaining change in ownership of company.

F2262]

Textual Amendments
F2262Ss. 767A-769 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 102, Sch. 3 Pt. 1 (with Sch. 2)

Transactions between associated persons

[^{F2263}**770 Provision not at arm’s length.**

F2264]

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2263S. 770A substituted for ss. 770-773 (with effect in accordance with s. 108(5) of the amending Act) by Finance Act 1998 (c. 36), s. 108(1); S.I. 1998/3173, art. 2

F2264S. 770A repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 110, Sch. 10 Pt. 2 (with Sch. 9)

F2263 770 Sales etc. at an undervalue or overvalue.

.....

Textual Amendments

F2263S. 770A substituted for ss. 770-773 (with effect in accordance with s. 108(5) of the amending Act) by Finance Act 1998 (c. 36), s. 108(1); S.I. 1998/3173, art. 2

F2263 771 Transactions by petroleum companies.

.....

Textual Amendments

F2263S. 770A substituted for ss. 770-773 (with effect in accordance with s. 108(5) of the amending Act) by Finance Act 1998 (c. 36), s. 108(1); S.I. 1998/3173, art. 2

F2263 772 Information for purposes of section 770, and appeals.

.....

Textual Amendments

F2263S. 770A substituted for ss. 770-773 (with effect in accordance with s. 108(5) of the amending Act) by Finance Act 1998 (c. 36), s. 108(1); S.I. 1998/3173, art. 2

F2263 773 Interpretation of sections 770 and 771.

.....

Textual Amendments

F2263S. 770A substituted for ss. 770-773 (with effect in accordance with s. 108(5) of the amending Act) by Finance Act 1998 (c. 36), s. 108(1); S.I. 1998/3173, art. 2

774 Transactions between dealing company and associated company.

F2265

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2265S. 774 repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), [Sch. 1 Pt. 10](#) Group 1

[^{F2266}Factoring of income receipts etc

Textual Amendments

F2266Ss. 774A-774G and preceding cross-heading inserted (with effect in accordance with [Sch. 6 para. 6\(2\)-\(7\)](#) of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 6 para. 6\(1\)](#)

774A Meaning of “structured finance arrangement” for purposes of s.774B

F2267
.....

Textual Amendments

F2267Ss. 774A-774G repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 104](#), [Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [Sch. 8 para. 265](#), [Sch. 10 Pt. 10](#) (with [Sch. 9](#))

774B Disregard of intended effects of arrangement involving disposals of assets

F2268
.....

Textual Amendments

F2268Ss. 774A-774G repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 104](#), [Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [Sch. 8 para. 265](#), [Sch. 10 Pt. 10](#) (with [Sch. 9](#))

774C Meaning of “structured finance arrangement” for purposes of s.774D

F2269
.....

Textual Amendments

F2269Ss. 774A-774G repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 104](#), [Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [Sch. 8 para. 265](#), [Sch. 10 Pt. 10](#) (with [Sch. 9](#))

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774D Disregard of intended effects of arrangement involving change in relation to a partnership

F2270

Textual Amendments

F2270 Ss. 774A-774G repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 104, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 265, Sch. 10 Pt. 10](#) (with [Sch. 9](#))

774E Sections 774B and 774D: exceptions

F2271

Textual Amendments

F2271 Ss. 774A-774G repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 104, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 265, Sch. 10 Pt. 10](#) (with [Sch. 9](#))

774F Sections 774B and 774D: power to provide further exceptions

F2272

Textual Amendments

F2272 Ss. 774A-774G repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 104, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 265, Sch. 10 Pt. 10](#) (with [Sch. 9](#))

774G Sections 774A to 774D: minor definitions etc

F2273

Textual Amendments

F2273 Ss. 774A-774G repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 104, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 774A-774G repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 265, Sch. 10 Pt. 10](#) (with [Sch. 9](#))

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Other provisions

775 Sale by individual of income derived from his personal activities.

F2274

Textual Amendments

F2274S. 775 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 182](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F2275}775A Transfers of rights to receive annual payments

F2276

Textual Amendments

F2275S. 775A inserted (with effect in accordance with [Sch. 7 para. 4\(2\)](#) of the amending Act) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [Sch. 7 para. 4\(1\)](#)

F2276S. 775A omitted (with effect in accordance with [Sch. 25 para. 10](#) of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 25 para. 9\(1\)\(b\)](#)

776 Transactions in land: taxation of capital gains.

F2277

Textual Amendments

F2277Ss. 776-778 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 105](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

777 Provisions supplementary to [^{F2278}section 776].

F2279

Textual Amendments

F2278 Words in [s. 777](#) sidenote substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 185\(13\)](#) (with [Sch. 2](#))

F2279Ss. 776-778 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 105](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

778 Power to obtain information.

F2280

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Textual Amendments

F2280 Ss. 776-778 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 105, **Sch. 3 Pt. 1** (with Sch. 2)

779 Sale and leaseback: limitation on tax reliefs.

F2281

Textual Amendments

F2281 Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 106, **Sch. 3 Pt. 2** (with Sch. 2); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 242, **Sch. 10 Pt. 9** (with Sch. 9)

780 Sale and leaseback: taxation of consideration received.

F2282

Textual Amendments

F2282 Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 106, **Sch. 3 Pt. 2** (with Sch. 2); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 242, **Sch. 10 Pt. 9** (with Sch. 9)

781 Assets leased to traders and others.

F2283

Textual Amendments

F2283 Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 106, **Sch. 3 Pt. 2** (with Sch. 2); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 242, **Sch. 10 Pt. 9** (with Sch. 9)

782 Leased assets: special cases.

F2284

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Textual Amendments

F2284Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 106, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 242, Sch. 10 Pt. 9](#) (with [Sch. 9](#))

783 Leased assets: supplemental.

F2285

Textual Amendments

F2285Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 106, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 242, Sch. 10 Pt. 9](#) (with [Sch. 9](#))

784 Leased assets subject to hire-purchase agreements.

F2286

Textual Amendments

F2286Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 106, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 242, Sch. 10 Pt. 9](#) (with [Sch. 9](#))

785 Meaning of “asset”, “capital sum” and “lease” for purposes of sections 781 to 784.

F2287

Textual Amendments

F2287Ss. 779-785 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 106, Sch. 3 Pt. 2](#) (with [Sch. 2](#)); and ss. 779-785 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 242, Sch. 10 Pt. 9](#) (with [Sch. 9](#))

[F2288] 785A Restrictions on use of losses: leasing partnerships

F2289

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2288Ss. 785ZA, 785ZB inserted (with effect in accordance with s. 83(4)-(6) of the amending Act) by Finance Act 2006 (c. 25), s. 83(2)

F2289S. 785ZA repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 107, **Sch. 3 Pt. 1** (with Sch. 2)

785ZB Section 785ZA: definitions

F2290]

Textual Amendments

F2288Ss. 785ZA, 785ZB inserted (with effect in accordance with s. 83(4)-(6) of the amending Act) by Finance Act 2006 (c. 25), s. 83(2)

F2290S. 785ZB repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 108, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2291}785A] Rent factoring of leases of plant or machinery

F2292]

Textual Amendments

F2291S. 785A inserted (with effect in accordance with s. 135(2) of the amending Act) by Finance Act 2004 (c. 12), s. 135(1)

F2292S. 785A omitted (with effect in accordance with Sch. 25 para. 10 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 25 para. 9(1)(c)**

[^{F2293}785B] Plant and machinery leases: capital receipts to be treated as income

F2294

Textual Amendments

F2293Ss. 785B-785E inserted (with effect in accordance with Sch. 20 para. 1(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 20 para. 1(1)** (with transitional modifications in Sch. 20 para. 1(3))

F2294S. 785B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 109, **Sch. 3 Pt. 1** (with Sch. 2)

785C Section 785B: interpretation

F2295

Textual Amendments

F2293Ss. 785B-785E inserted (with effect in accordance with Sch. 20 para. 1(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 20 para. 1(1)** (with transitional modifications in Sch. 20 para. 1(3))

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F2295S. 785C repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 110, **Sch. 3 Pt. 1** (with Sch. 2)

785D Section 785B: lease of plant and machinery and other property

F2296

Textual Amendments

F2293Ss. 785B-785E inserted (with effect in accordance with Sch. 20 para. 1(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 20 para. 1(1)** (with transitional modifications in Sch. 20 para. 1(3))

F2296S. 785D repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 111, **Sch. 3 Pt. 1** (with Sch. 2)

785E Section 785B: expectation that relevant capital payment will not be paid

F2297]

Textual Amendments

F2293Ss. 785B-785E inserted (with effect in accordance with Sch. 20 para. 1(2) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 20 para. 1(1)** (with transitional modifications in Sch. 20 para. 1(3))

F2297S. 785E repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 112, **Sch. 3 Pt. 1** (with Sch. 2)

786 Transactions associated with loans or credit.

F2298

Textual Amendments

F2298S. 786 repealed for specified purposes (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 113, **Sch. 3 Pt. 2** (with Sch. 2); and s. 786 repealed for remaining purposes (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 266, **Sch. 10 Pt. 10** (with Sch. 9)

787 Restriction of relief for payments of interest.

F2299

Textual Amendments

F2299S. 787 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 7 para. 49, **Sch. 10 Pt. 12** (with Sch. 9)

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PART XVIII

DOUBLE TAXATION RELIEF

Modifications etc. (not altering text)

- C56** Pt. 18 modified (3.5.1994) by [Finance Act 1994 \(c. 9\)](#), [Sch. 20 para. 10](#) (as amended by [Finance Act 1995 \(c. 4\)](#), [s. 122\(4\)\(5\)](#)) (with [Sch. 20 para. 12\(2\)\(a\)](#))
- C57** Pt. 18 applied (with effect in accordance with [Sch. 29 Pt. 14](#) of the affecting Act) by [Finance Act 2002 \(c. 23\)](#), [Sch. 29 para. 87](#)
- C58** Pt. 18 modified (22.7.2004) by [Finance Act 2004 \(c. 12\)](#), [s. 107\(5\)](#)
- C59** Pt. 18 applied by [Finance Act 1996 \(c. 8\)](#), [Sch. 9 para. 12E\(5\)](#) (as inserted (29.11.2007 with effect in accordance with regs. 1(2), 3(1) of the amending S.I. (as amended by [S.I. 2008/1579](#), [reg. 4\(1\)](#))) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2007 \(S.I. 2007/3186\)](#), [Sch. 1 para. 16](#))
- C60** Pt. 18 applied by [Finance Act 2002 \(c. 23\)](#), [Sch. 26 para. 30E\(5\)](#) (as inserted (29.11.2007 with effect in accordance with regs. 1(2), 3(1) of the amending S.I. (as amended by [S.I. 2008/1579](#), [reg. 4\(1\)](#))) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2007 \(S.I. 2007/3186\)](#), [Sch. 1 para. 19](#))
- C61** Pt. 18 applied by [Finance Act 1996 \(c. 8\)](#), [Sch. 9 para. 12C\(3\)](#) (as substituted (29.11.2007 with effect in accordance with regs. 1(2), 3(2) of the amending S.I.) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2007 \(S.I. 2007/3186\)](#), [Sch. 2 para. 8](#))
- C62** Pt. 18 applied by [Finance Act 2002 \(c. 23\)](#), [Sch. 26 para. 30C\(3\)](#) (as substituted (29.11.2007 with effect in accordance with regs. 1(2), 3(2) of the amending S.I.) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2007 \(S.I. 2007/3186\)](#), [Sch. 2 para. 10](#))
- C63** Pt. 18 applied by [Finance Act 2002 \(c. 23\)](#), [Sch. 29 para. 87A\(3\)](#) (as substituted (29.11.2007 with effect in accordance with regs. 1(2), 3(2) of the amending S.I.) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2007 \(S.I. 2007/3186\)](#), [Sch. 2 para. 12](#))
- C64** Pt. 18 applied by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), [ss. 140H\(3\)](#), [140I\(3\)](#), [140J\(3\)](#) (as inserted (29.11.2007 with effect in accordance with regs. 1(2), 3(3) of the amending S.I. (as amended by [S.I. 2008/1579](#), [reg. 4\(2\)](#))) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2007 \(S.I. 2007/3186\)](#), [Sch. 3 para. 1](#))
- C65** Pt. 18 applied by [Finance Act 1996 \(c. 8\)](#), [Sch. 9 paras. 12H\(3\)](#), [12I\(3\)](#) (as inserted (29.11.2007 with effect in accordance with regs. 1(2), 3(3) of the amending S.I. (as amended by [S.I. 2008/1579](#), [reg. 4\(2\)](#))) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2007 \(S.I. 2007/3186\)](#), [Sch. 3 para. 2](#))
- C66** Pt. 18 applied by [Finance Act 2002 \(c. 23\)](#), [Sch. 26 paras. 30G\(3\)](#), [30H\(3\)](#) (as inserted (29.11.2007 with effect in accordance with regs. 1(2), 3(3) of the amending S.I. (as amended by [S.I. 2008/1579](#), [reg. 4\(2\)](#))) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2007 \(S.I. 2007/3186\)](#), [Sch. 3 para. 4](#))
- C67** Pt. 18 applied by [Finance Act 2002 \(c. 23\)](#), [Sch. 29 paras. 85B\(3\)](#), [85C\(3\)](#) (as inserted (29.11.2007 with effect in accordance with regs. 1(2), 3(3) of the amending S.I. (as amended by [S.I. 2008/1579](#), [reg. 4\(2\)](#))) by [The Corporation Tax \(Implementation of the Mergers Directive\) Regulations 2007 \(S.I. 2007/3186\)](#), [Sch. 3 para. 5](#))
- C68** Pt. 18: power to amend conferred (1.4.2009 with effect in accordance with s. 1329(1) of the affecting Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [s. 533\(2\)\(3\)](#) (with [Sch. 2 Pts. 1, 2](#))
- C69** Pt. 18 modified (with effect in accordance with s. 56(3) of the modifying Act) by [Finance Act 2009 \(c. 10\)](#), [s. 56\(1\)](#)

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F2300 CHAPTER I

THE PRINCIPAL RELIEFS

Textual Amendments

F2300 Pt. 18 Chs. 1, 2 modified (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 277(1), 289 (with ss. 60, 101(1), 171, 201(3))

788 Relief by agreement with other [^{F2301}territories].

F2302

Textual Amendments

F2301 Word in s. 788 sidenote substituted (with effect in accordance with s. 88(3) of the amending Act) by Finance Act 2002 (c. 23), s. 88(2)(b)

F2302 S. 788 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 13, Sch. 10 Pt. 1 (with Sch. 9)

789 Arrangements made under old law.

F2303

Textual Amendments

F2303 S. 789 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 14, Sch. 10 Pt. 1 (with Sch. 9)

790 Unilateral relief.

F2304

Textual Amendments

F2304 S. 790 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 15, Sch. 10 Pt. 1 (with Sch. 9)

791 Power to make regulations for carrying out section 788.

F2305

Textual Amendments

F2305 S. 791 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 16, Sch. 10 Pt. 1 (with Sch. 9)

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CHAPTER II

RULES GOVERNING RELIEF BY WAY OF CREDIT

Modifications etc. (not altering text)

C70 Pt. 18 Chs. 1, 2 modified (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 277(1), 289 (with ss. 60, 101(1), 171, 201(3))

General

792 Interpretation of credit code.

F2306

Textual Amendments

F2306Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 17, Sch. 10 Pt. 1 (with Sch. 9)

793 Reduction of United Kingdom taxes by amount of credit due.

F2307

Textual Amendments

F2307Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 17, Sch. 10 Pt. 1 (with Sch. 9)

[^{F2308}793A No double relief etc.

F2309]

Textual Amendments

F2308S. 793A inserted (with effect in accordance with Sch. 30 para. 5(2)(3) of the amending Act) by Finance Act 2000 (c. 17), Sch. 30 para. 5(1)

F2309Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 17, Sch. 10 Pt. 1 (with Sch. 9)

794 Requirement as to residence.

F2310

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments
F2310Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 17, Sch. 10 Pt. 1](#) (with Sch. 9)

795 Computation of income subject to foreign tax.

F2311

Textual Amendments
F2311Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 17, Sch. 10 Pt. 1](#) (with Sch. 9)

[^{F2312}**795A Limits on credit: minimisation of the foreign tax.**

F2313]

Textual Amendments
F2312S. 795A inserted (with effect in accordance with [Sch. 30 para. 6\(2\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\), Sch. 30 para. 6\(1\)](#)
F2313Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 17, Sch. 10 Pt. 1](#) (with Sch. 9)

796 Limits on credit: income tax.

F2314

Textual Amendments
F2314Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 17, Sch. 10 Pt. 1](#) (with Sch. 9)

797 Limits on credit: corporation tax.

F2315

Textual Amendments
F2315Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 17, Sch. 10 Pt. 1](#) (with Sch. 9)

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[^{F2316}~~797~~ Foreign tax on [^{F2317} items giving rise to] a non-trading credit [^{F2318}: loan relationships].

F2319]

Textual Amendments

F2316S. 797A inserted (with effect in accordance with s. 105(1) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 14 para. 43** (with Sch. 15)

F2317Word in s. 797A sidenote substituted (with effect in accordance with Sch. 30 para. 7(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 7(3)**

F2318Words in s. 797A sidenote added (24.7.2002) by Finance Act 2002 (c. 23), **Sch. 30 para. 5(3)**

F2319Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 17, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2320}~~797~~ Foreign tax on items giving rise to a non-trading credit: intangible fixed assets

F2321]

Textual Amendments

F2320S. 797B inserted (24.7.2002) by Finance Act 2002 (c. 23), **Sch. 30 para. 5(4)**

F2321Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 17, **Sch. 10 Pt. 1** (with Sch. 9)

798 Section 796: trade income

F2322]

Textual Amendments

F2322Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 17, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2323}~~798~~ Section 797: trade income

F2324]

Textual Amendments

F2323S. 798A inserted (with effect in accordance with s. 103(2)(3) of the amending Act) by Finance Act 1998 (c. 36), **s. 104**

F2324Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 17, **Sch. 10 Pt. 1** (with Sch. 9)

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[^{F2325}**798B Section 798A: special cases**

F2326]

Textual Amendments

F2325S. 798B inserted (with effect in accordance with s. 103(2)(3) of the amending Act) by [Finance Act 1998 \(c. 36\), s. 105](#)

F2326Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 17, Sch. 10 Pt. 1 \(with Sch. 9\)](#)

[^{F2327}**798C Disallowed credit: use as deduction**

F2328]

Textual Amendments

F2327Ss. 798-798C substituted for ss. 798-798B (with effect in accordance with s. 86(3)-(5) of the amending Act) by [Finance Act 2005 \(c. 7\), s. 86\(1\)](#)

F2328Ss. 792-798C repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 17, Sch. 10 Pt. 1 \(with Sch. 9\)](#)

Tax underlying dividends

799 Computation of underlying tax.

F2329

Textual Amendments

F2329S. 799 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 18, Sch. 10 Pt. 1 \(with Sch. 9\)](#)

800 Dividends paid between related companies but not covered by arrangements.

F2330

Textual Amendments

F2330S. 800 repealed (with effect in accordance with Sch. 30 para. 10(2) of the repealing Act) by [Finance Act 2000 \(c. 17\), Sch. 30 para. 10\(1\), Sch. 40 Pt. 2\(13\)](#), Note

801 Dividends paid between related companies: relief for U.K. and third country taxes.

F2331

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2331Ss. 801-801B repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 18, Sch. 10 Pt. 1](#) (with Sch. 9)

[^{F2332}**801** ~~Restriction of relief for underlying tax.~~

F2333]

Textual Amendments

F2332S. 801A inserted (with effect in accordance with s. 90(2) of the amending Act) by [Finance Act 1997 \(c. 16\), s. 90\(1\)](#)

F2333Ss. 801-801B repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 18, Sch. 10 Pt. 1](#) (with Sch. 9)

[^{F2334}**801** ~~Dividends paid out of transferred profits.~~

F2335]

Textual Amendments

F2334S. 801B inserted (with effect in accordance with [Sch. 30 para. 12\(2\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\), Sch. 30 para. 12\(1\)](#)

F2335Ss. 801-801B repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 8 para. 18, Sch. 10 Pt. 1](#) (with Sch. 9)

[^{F2336}**801** ~~Separate streaming of dividend so far as representing an ADP dividend of a CFC.~~

F2337]

Textual Amendments

F2336S. 801C inserted (with effect in accordance with [Sch. 30 para. 13\(2\)\(3\)](#) of the amending Act) by [Finance Act 2000 \(c. 17\), Sch. 30 para. 13\(1\)](#)

F2337S. 801C omitted (with effect in accordance with [Sch. 16 para. 6](#) of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 16 para. 2\(4\)](#) (with [Sch. 16 paras. 7, 8](#))

802 U.K. insurance companies trading overseas.

F2338

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

F2338S. 802 repealed (with effect in accordance with Sch. 30 para. 14(2) of the repealing Act) by [Finance Act 2000 \(c. 17\)](#), Sch. 30 para. 14(1), **Sch. 40 Pt. 2(13)**, Note

803 Underlying tax reflecting interest on loans.

F2339

Textual Amendments

F2339Ss. 803-804E repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2340}**803A Foreign taxation of group as a single entity.**

F2341]

Textual Amendments

F2340S. 803A inserted (with effect in accordance with Sch. 30 para. 15(2) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), **Sch. 30 para. 15(1)**

F2341Ss. 803-804E repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

Miscellaneous rules

804 Relief against income tax in respect of income arising in years of commencement.

F2342

Textual Amendments

F2342Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2343}**804ZA Schemes and arrangements designed to increase relief**

F2344

Textual Amendments

F2343Ss. 804ZA-804ZC inserted (with effect in accordance with s. 87(3)-(5) of the amending Act) by [Finance Act 2005 \(c. 7\)](#), **s. 87(1)**

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F2344 Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

804ZB Effect of notice under section 804ZA

F2345

Textual Amendments

F2343 Ss. 804ZA-804ZC inserted (with effect in accordance with s. 87(3)-(5) of the amending Act) by Finance Act 2005 (c. 7), **s. 87(1)**

F2345 Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

804ZC Notices under section 804ZA: further provision

F2346]

Textual Amendments

F2343 Ss. 804ZA-804ZC inserted (with effect in accordance with s. 87(3)-(5) of the amending Act) by Finance Act 2005 (c. 7), **s. 87(1)**

F2346 Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2348}804A^{F2347} Life assurance companies with overseas branches etc: restriction of credit.]

F2349]

Textual Amendments

F2347 S. 804A sidenote substituted (with effect in accordance with Sch. 30 para. 16(6) of the amending Act) by virtue of Finance Act 2000 (c. 17), **Sch. 30 para. 16(5)**

F2348 S. 804A inserted (with effect in accordance with Sch. 7 para. 10 of the amending Act) by Finance Act 1990 (c. 29), **Sch. 7 para. 5**

F2349 Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2350}804B Insurance companies carrying on more than one category of business: restriction of credit.

F2351]

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Textual Amendments

F2350S. 804B inserted (with effect in accordance with Sch. 30 para. 17(2) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 17(1)**

F2351Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2352}804C Insurance companies: allocation of expenses etc in computations under
[^{F2353}section 35 of CTA 2009].

F2354

Textual Amendments

F2352Ss. 804C-804E inserted (with effect in accordance with Sch. 30 para. 18(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 18(1)**

F2353Words in s. 804C heading substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 251(3)** (with Sch. 2 Pts. 1, 2)

F2354Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

804D Interpretation of section 804C in relation to life assurance business etc.

F2355

Textual Amendments

F2352Ss. 804C-804E inserted (with effect in accordance with Sch. 30 para. 18(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 18(1)**

F2355Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

804E Interpretation of section 804C in relation to other insurance business.

F2356]

Textual Amendments

F2352Ss. 804C-804E inserted (with effect in accordance with Sch. 30 para. 18(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 18(1)**

F2356Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

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[^{F2357}**804 Interpretation of sections 804A to 804E.**

F2358]

Textual Amendments

F2357S. 804F inserted (with effect in accordance with Sch. 30 para. 19(2) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 19(1)**

F2358S. 804F repealed (with effect in accordance with Sch. 10 para. 17(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 10 para. 14(2)(e), **Sch. 27 Pt. 2(10)**, Note

[^{F2359}**804 Reduction in credit: payment by reference to foreign tax**

F2360]

Textual Amendments

F2359S. 804G inserted (with effect in accordance with s. 59(13) of the amending Act) by Finance Act 2009 (c. 10), **s. 59(2)**

F2360Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

805 Elections against credit.

F2361

Textual Amendments

F2361Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9)

806 Time limit for claims etc.

F2362

Textual Amendments

F2362Ss. 803-804E, 804G-806 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 19, **Sch. 10 Pt. 1** (with Sch. 9) (subject to amendment to s. 806 by Finance Act 2008 (c. 9), s. 118(2), **Sch. 39 para. 24**; S.I. 2009/403, **arts. 2(2), 10**)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

F²³⁶³ Foreign dividends: onshore pooling and utilisation of eligible unrelieved foreign tax

Textual Amendments

F2363 Ss. 806A-806H, 806J and cross-heading inserted (with effect in accordance with Sch. 30 para. 21(2) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 21(1)**

806A Eligible unrelieved foreign tax on dividends: introductory.

F2364

Textual Amendments

F2364 Ss. 806A-806K omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 9** (subject to amendment to s. 806A by: Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 114 (with **Sch. 2**); Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 8 para. 20 (with **Sch. 9**))

806B The amounts that are eligible unrelieved foreign tax.

F2365

Textual Amendments

F2365 Ss. 806A-806K omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 9** (subject to amendment to s. 806B by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 8 para. 21 (with **Sch. 9**))

806C Onshore pooling.

F2366

Textual Amendments

F2366 Ss. 806A-806K omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 9** (subject to amendment to s. 806C by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 8 para. 22 (with **Sch. 9**))

806D Utilisation of eligible unrelieved foreign tax.

F2367

Textual Amendments

F2367 Ss. 806A-806K omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 9** (subject to amendment to s. 806D by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 8 para. 23 (with **Sch. 9**))

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

806E Rules for carry back of relievable tax under section 806D.

F2368
.....

Textual Amendments

F2368Ss. 806A-806K omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 9**

806F Credit to be given for underlying tax before other foreign tax etc.

F2369
.....

Textual Amendments

F2369Ss. 806A-806K omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 9** (subject to amendment to s. 806F by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 8 para. 24 (with **Sch. 9**))

806G Claims for the purposes of section 806D(4) or (5).

F2370
.....

Textual Amendments

F2370Ss. 806A-806K omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 9** (subject to amendment to s. 806G by Finance Act 2008 (c. 9), s. 118(2), **Sch. 39 para. 25**; S.I. 2009/403, arts. 2(2), 10)

806H Surrender of relievable tax by one company in a group to another.

F2371
.....

Textual Amendments

F2371Ss. 806A-806K omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 9**

806J Interpretation of foreign dividend provisions of this Chapter.

F2372
.....]

Textual Amendments

F2372Ss. 806A-806K omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 9** (subject to amendment to s. 806J by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 381(1), Sch. 8 para. 25 (with **Sch. 9**))

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*[^{F2373} Application of foreign dividend provisions to branches
or agencies in the UK of persons resident elsewhere*

Textual Amendments

F2373S. 806K and cross-heading inserted (with effect in accordance with Sch. 30 para. 22(2) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 22(1)**

806K Application of foreign dividend provisions to branches or agencies in the UK of persons resident elsewhere.

F2374]

Textual Amendments

F2374Ss. 806A-806K omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 9**

[^{F2375} Unrelieved foreign tax: profits of overseas branch or agency

Textual Amendments

F2375Ss. 806L, 806M and cross-heading inserted (with effect in accordance with Sch. 30 para. 23(2)(3) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 23(1)**

806L Carry forward or carry back of unrelieved foreign tax.

F2376]

Textual Amendments

F2376Ss. 806L, 806M repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 26, **Sch. 10 Pt. 1**

806M Provisions supplemental to section 806L.

F2377]

Textual Amendments

F2377Ss. 806L, 806M repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 26, **Sch. 10 Pt. 1** (subject to amendment to s. 806M by Finance Act 2008 (c. 9), s. 118(2), **Sch. 39 para. 26**; S.I. 2009/403, **arts. 2(2), 10**)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

CHAPTER III

MISCELLANEOUS PROVISIONS

807 Sale of securities with or without accrued interest.

F2378

Textual Amendments

F2378Ss. 807, 807A repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 27, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2379}807 Disposals and acquisitions of company loan relationships with or without interest.

F2380]

Textual Amendments

F2379S. 807A inserted (with effect in accordance with s. 105(1) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 14 para. 46** (with Sch. 15)

F2380Ss. 807, 807A repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 27, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2381}European cross-border transfers of business

Textual Amendments

F2381S. 807B and preceding cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 257** (with Sch. 2 Pts. 1, 2)

807B Introduction to section 807C

F2382

Textual Amendments

F2382Ss. 807B-807G repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 28, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2383}807C Tax treated as chargeable in respect of transfer of loan relationship, derivative contract or intangible fixed assets

F2384]]

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Textual Amendments

- F2383**S. 807C inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 258** (with Sch. 2 Pts. 1, 2)
- F2384**Ss. 807B-807G repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 28, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2385}European cross-border mergers

Textual Amendments

- F2385**S. 807D and preceding cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 259** (with Sch. 2 Pts. 1, 2)

807D Introduction to section 807E

F2386

Textual Amendments

- F2386**Ss. 807B-807G repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 28, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2387}807E Tax treated as chargeable in respect of transfer of loan relationship, derivative contract or intangible fixed assets

F2388]]

Textual Amendments

- F2387**S. 807E inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 260** (with Sch. 2 Pts. 1, 2)
- F2388**Ss. 807B-807G repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 28, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2389}Transparent entities involved in cross-border transfers and mergers

Textual Amendments

- F2389**S. 807F and preceding cross-heading inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 261** (with Sch. 2 Pts. 1, 2)

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807F Introduction to section 807G

F2390

Textual Amendments

F2390Ss. 807B-807G repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 28, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2391}807G Tax treated as chargeable in respect of relevant transactions

^{F2392}.....]]

Textual Amendments

F2391S. 807G inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 262** (with Sch. 2 Pts. 1, 2)

F2392Ss. 807B-807G repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 28, **Sch. 10 Pt. 1** (with Sch. 9)

808 Restriction on deduction of interest or dividends from trading income.

F2393

Textual Amendments

F2393S. 808 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 115, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2394}808A Interest: special relationship.

^{F2395}.....]

Textual Amendments

F2394S. 808A inserted (16.7.1992 with application in relation to interest paid after 14.5.1992) by Finance (No. 2) Act 1992 (c. 48), **s.52**

F2395Ss. 808A-809 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 29, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2396}808B Royalties: special relationship.

^{F2397}.....]

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Textual Amendments

- F2396**S. 808B inserted (with effect in accordance with Sch. 30 para. 25(2) of the amending Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 30 para. 25\(1\)](#)
- F2397**Ss. 808A-809 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [Sch. 8 para. 29](#), [Sch. 10 Pt. 1](#) (with Sch. 9)

809 Relief in respect of discretionary trusts.

F2398

Textual Amendments

- F2398**Ss. 808A-809 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [Sch. 8 para. 29](#), [Sch. 10 Pt. 1](#) (with Sch. 9)

810 Postponement of capital allowances to secure double taxation relief.

F2399

Textual Amendments

- F2399**S. 810 repealed (with effect in accordance with Sch. 30 para. 26(2) of the repealing Act) by [Finance Act 2000 \(c. 17\)](#), [Sch. 30 para. 26\(1\)](#), [Sch. 40 Pt. 2\(13\)](#), Note

811 Deduction for foreign tax where no credit allowable.

F2400

Textual Amendments

- F2400**S. 811 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [Sch. 8 para. 29](#), [Sch. 10 Pt. 1](#) (with Sch. 9)

812 Withdrawal of right to tax credit of certain non-resident companies connected with unitary states.

F2401

Textual Amendments

- F2401**Ss. 812-814 repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), [Sch. 1 Pt. 10](#) Group 1

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813 Recovery of tax credits incorrectly paid.

F2402

Textual Amendments

F2402Ss. 812-814 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10**
Group 1

814 Arrangements to avoid section 812.

F2403

Textual Amendments

F2403Ss. 812-814 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10**
Group 1

815 Power to inspect documents.

F2404

Textual Amendments

F2404S. 815 omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 1, Sch. para. 23

[^{F2405}815A Transfer of a non-UK trade.

F2406]

Textual Amendments

F2405S. 815A inserted (16.7.1992) by Finance (No. 2) Act 1992 (c. 48), s. 50
F2406Ss. 815A-815B repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 32, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2407}815AZA Residents and foreign enterprises

F2408]

Textual Amendments

F2407S. 815AZA inserted (with effect in accordance with s. 59(2) of the amending Act) by Finance Act 2008 (c. 9), s. 59(1)

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F2408 Ss. 815A-815B repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 32, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2409} 815AA Mutual agreement procedure and presentation of cases under arrangements.

F2410]

Textual Amendments

F2409 S. 815AA inserted (with effect in accordance with Sch. 30 para. 28(2)(3) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 30 para. 28(1)**

F2410 Ss. 815A-815B repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 32, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2411} 815B The Arbitration Convention.

F2412]

Textual Amendments

F2411 S. 815B inserted (16.7.1992) by Finance (No. 2) Act 1992 (c. 48), **s. 51(1)**

F2412 Ss. 815A-815B repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 32, **Sch. 10 Pt. 1** (with Sch. 9)

[^{F2413} 815C Exchange of information with other [^{F2414} territories].

F2415]

Textual Amendments

F2413 S. 815C inserted (28.7.2000) by Finance Act 2000 (c. 17), **s. 146(1)**

F2414 Word in s. 815C sidenote substituted (with effect in accordance with s. 88(3) of the amending Act) by Finance Act 2002 (c. 23), **s. 88(2)(b)**

F2415 S. 815C repealed (19.7.2006) by Finance Act 2006 (c. 25), **Sch. 26 Pt. 8(2)**

816 Disclosure of information.

F2416]

Textual Amendments

F2416 S. 816 repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 32, **Sch. 10 Pt. 1** (with Sch. 9) (subject to the omission of s. 816(3), so far as it continues to have effect, by virtue of Finance Act 2011 (c. 11), Sch. 23 paras. 55(e), 65)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

PART XIX
SUPPLEMENTAL

Miscellaneous

817 Deductions not to be allowed in computing profits or gains.

F2417
.....

Textual Amendments

F2417S. 817 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 265, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

818 Arrangements for payments of interest less tax or of fixed net amount.

F2418
.....

Textual Amendments

F2418S. 818 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 203, **Sch. 3 Pt. 1** (with Sch. 2)

819 Old references to standard rate tax.

F2419
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Textual Amendments

F2419S. 819 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 204, **Sch. 3 Pt. 1** (with Sch. 2)

820 Application of Income Tax Acts from year to year.

^{M94} In order to ensure the collection in due time of income tax which may be granted for any year commencing on 6th April, all such provisions contained in the Income Tax Acts as were in force on the preceding day shall have full force and effect with respect to tax which may be so granted, in the same manner as if that tax had been actually granted by Act of Parliament and those provisions had been applied thereto by the Act.

Modifications etc. (not altering text)

C71 S. 820 applied (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1)(2), **Sch. 2 para. 160**

Marginal Citations

M94 Source—1970 s.520

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

821 Under-deductions from payments made before passing of annual Act.

- ^{M95}(1) Where, in any year of assessment [^{F2420} or accounting period], any half-yearly or quarterly payments [^{F2421} (or half-periodic or quarterly payments)] have been made on account of any interest, dividends or other annual profits or gains, previously to the passing of the Act imposing income [^{F2422} or corporation] tax for that year [^{F2423} or period], and tax has not been charged thereon or deducted therefrom or has not been charged thereon or deducted therefrom at the rate ultimately imposed for that year [^{F2423} or period]—
- (a) the amount not so charged or deducted shall be charged [^{F2424} in respect of those payments to income tax under Chapter 2 of Part 4 of ITTOIA 2005 (interest) or shall be charged to corporation tax][^{F2425}^{F2426} . . . ^{F2427} . . . ; and]
 - (b) the agents entrusted with the payment of the interest, dividends or other annual profits or gains shall furnish to the Board a list containing the names and addresses of the persons to whom payments have been made and the amount of those payments, upon a requisition made by the Board in that behalf.
- (2) Any person liable to pay any rent, interest or annuity, or to make any other annual payment—
- (a) shall be authorised—
 - (i) to make any deduction on account of income tax for any year of assessment which he has failed to make previously to the passing of the Act imposing the tax for that year, or
 - (ii) to make up any deficiency in any such deduction which has been so made,

on the occasion of the next payment of the rent, interest or annuity or making of the other annual payment after the passing of the Act so imposing the tax, in addition to any other deduction which he may be by law authorised to make; and
 - (b) shall also be entitled, if there is no future payment from which the deduction may be made, to recover the sum which might have been deducted as if it were a debt due from the person as against whom the deduction could originally have been made if the Act imposing the tax for the year had been in force.
- (3) Subsection (2) above shall apply with respect to—
- ^{F2428}(a) any payment to which section 906 of ITA 2007 applies (certain royalties etc where usual place of abode of owner is abroad), and]
 - ^{F2429}(aa) ^{F2430}]
 - (b) any royalty or other sum paid in respect of the user of a patent; ^{F2431} . . .
 - ^{F2431}(c)
- as it applies with respect to any rent, interest, annuity or other annual payment.
- (4) In this section “interest” and “dividends” do not include any interest or dividend which is a distribution.

Textual Amendments

F2420 Words in s. 821(1) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 330\(a\)](#) (with Sch. 2)

F2421 Words in s. 821(1) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 330\(b\)](#) (with Sch. 2)

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- F2422** Words in s. 821(1) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by **Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 330(c)** (with Sch. 2)
- F2423** Words in s. 821(1) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by **Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 330(d)** (with Sch. 2)
- F2424** Words in s. 821(1)(a) inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by **Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 330(e)** (with Sch. 2)
- F2425** Words in s. 821(1)(a) substituted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by **Finance Act 1996 (c. 8), Sch. 6 para. 22**
- F2426** Words in s. 821(1)(a) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by **Corporation Tax Act 2009 (c. 4), Sch. 1 para. 266, Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F2427** Words in s. 821(1)(a) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by **Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 330(f), Sch. 3** (with Sch. 2)
- F2428** S. 821(3)(a) substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 205(a)** (with Sch. 2)
- F2429** S. 821(3)(aa) inserted (1.8.1989) by **Copyright, Designs and Patents Act 1988 (c. 48), Sch. 7 para. 36(7); S.I. 1989/816 art. 2**
- F2430** S. 821(3)(aa) and word repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by **Income Tax Act 2007 (c. 3), Sch. 1 para. 205(b), Sch. 3 Pt. 1** (with Sch. 2)
- F2431** S. 821(3)(c) and preceding word repealed (with effect in accordance with Sch. 18 Pt. 6(2) Note of the repealing Act) by **Finance Act 1997 (c. 16), Sch. 18 Pt. 6(2)**

Marginal Citations

M95 Source—1970 s.521; 1972 Sch.24 29; 1983 s.27.

822 Over-deductions from interest on loan capital etc. made before passing of annual Act.

- ^{M96}(1) If in any year of assessment (“the year”) a resolution having statutory effect under the Provisional Collection of Taxes Act 1968 provides for the charging of income tax at a [^{F2432}lower rate less] than that charged for the previous year, the following provisions of this section shall have effect with respect to deductions in respect of income tax by any body corporate, from payments of interest (not being a distribution) on any of its securities.
- (2) Any deduction which was made before the expiration of one month from the passing of the resolution and which would, if the tax had been renewed at the rate imposed for the previous year, have been a legal deduction, shall be deemed to be a deduction rendered legal by section 2 of the Provisional Collection of Taxes Act 1968 and that section shall, subject to this section, apply accordingly.
- (3) Any over-deduction to be made good under that section may be made good by a reduction of the amount of tax deducted from the next payment of like nature made on the security in question after the passing of the Act imposing the tax for the year.
- (4) Any amount made good under section 2 of the Provisional Collection of Taxes Act 1968 shall—
- in the case of an over-deduction which is made good under subsection (3) above, enure to the benefit of the person entitled to the payment on the occasion of which the over-deduction is made good; and
 - in any other case, enure to the benefit of the person entitled to the security in question at the date when the amount is made good,

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irrespective, in either case, of whether or not he is the person who was entitled to the payment, or to the security at the date when the original deduction was made.

- (5) Subsection (3) above shall not authorise the retention of any part of the amount overdeducted for more than one year from the passing of the Act imposing the tax for the year.

Textual Amendments
F2432 Words in s. 822(1) substituted (with effect in accordance with Sch. 6 para. 28 of the amending Act) by Finance Act 1996 (c. 8), Sch. 6 para. 23

Marginal Citations
M96 Source—1970 s.522; 1971 Sch.6 76; 1972 Sch.24 30

823 Adjustments of reliefs where given at different times.

F2433

Textual Amendments
F2433 S. 823 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 206, Sch. 3 Pt. 1 (with Sch. 2)

824 Repayment supplements: individuals and others.

- [^{F2434}(1) Subject to the following provisions of this section, a repayment made by the Board or an officer of the Board of any of the following, namely—
 - (a) an amount paid on account of income tax under section 59A of the Management Act;
 - (b) any income tax paid by or on behalf of an individual for a year of assessment;
 - [^{F2435}(c) a penalty payable under any paragraph of Schedule 56 to the Finance Act 2009 in respect of an amount falling within any of the following items of the Table in paragraph 1 of that Schedule—
 - (i) item 1, 12, 18 or 19; or
 - (ii) insofar as the tax falls within item 1, item 17, 23 or 24; and]
 - (d) a penalty incurred by an individual under any of the provisions of that Act, shall be increased under this section by an amount (a “repayment supplement”) equal to interest on the amount repaid at the rate applicable under section 178 of the Finance Act 1989 for the period (if any) between the relevant time and the date on which the order for the repayment is issued.]

[^{F2436}^{F2437}(1A)

(2) [^{F2438}

- [^{F2439}(2A) Subsection (1) above shall apply to a repayment made in consequence of a claim under section 228 of the Income Tax Act 1952 (relief in respect of income accumulated under trusts) as if the repayment were of income tax paid by the claimant for the year of assessment in which the contingency mentioned in that section happened.]

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[^{F2440}(2B) Subsection (1) above shall apply to a payment made by the Board under section 375(8) (payment of amount which borrower would have been able to deduct from interest payment under section 369(1)) as if the payment were a repayment falling within that subsection.]

[^{F2441}(2C) Subsection (1) above shall apply to a repayment made by the Board as a result of a claim for relief under—

- (a) paragraph 2 of Schedule 1B to the Management Act (carry back of loss relief),
 - (b) paragraph 3 of that Schedule (relief for fluctuating profits of farming etc.), or
 - (c) Schedule 4A to this Act (relief for fluctuating profits of creative artists etc.),
- as if it were a repayment falling within that subsection.]

[^{F2442}(2D) Subsection (1) shall apply—

- (a) ^{F2443}
- (b) to a payment made under paragraph 6(1) of Schedule 14 (payment where entitlement to life assurance premium relief has not been given by deduction) as if the payment were a repayment of income tax paid for the tax year in which the entitlement to relief arose.]

[^{F2444}(3) For the purposes of subsection (1) above—

[^{F2445}(aa) if the repayment is a payment made by the Board under section 375(8), the relevant time is—

- (i) if the interest payment was made in the year 1996-97 or a subsequent year of assessment, the 31st January next following that year;
- (ii) if the interest payment was made in an earlier year of assessment, the 5th April next following that year;]

[^{F2446}(ab) if the repayment is a repayment as a result of a claim for relief under any of the provisions mentioned in subsection (2C) above, the relevant time is the 31st January next following the year that is the later year in relation to the claim;]

[^{F2447}(ac) if the repayment is a repayment as a result of a claim under section 496B of ITA 2007 (relief for payments by discretionary trust taxable as employment income), the relevant time is the 31 January next following the end of the tax year to which the claim relates;]

[^{F2448}(ad) if the repayment is a payment falling within subsection (2D)(b), the relevant time is 31 January next following the end of the tax year in which the entitlement to relief arose;]

[^{F2449}(a) if the repayment is—

- (i) the repayment of an amount paid in accordance with the requirements of section 59A of the Management Act on account of income tax for a year of assessment, or
- (ii) the repayment of income tax for such a year which is not income tax deducted at source [^{F2450}(other than a repayment within paragraph (ac))],

the relevant time is the date of the payment that is being repaid;

(b) if the repayment is of income tax deducted at source for a year of assessment, the relevant time is the 31st January next following that year; and]

(c) if the repayment is of a penalty or surcharge, [^{F2451}the relevant time is the date on which the penalty or surcharge was paid].]

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^{F2452}(4) For the purposes of subsection (3) above, where a repayment in respect of income tax for a year of assessment is made to any person, that repayment—

- (a) shall be attributed first to so much of any payment made by him under section 59B of the Management Act as is a payment in respect of income tax for that year;
- (b) in so far as it exceeds the amount (if any) to which it is attributable under paragraph (a) above, shall be attributed in two equal parts to each of the payments made by him under section 59A of the Management Act on account of income tax for that year;
- (c) in so far as it exceeds the amounts (if any) to which it is attributable under paragraphs (a) and (b) above, shall be attributed to income tax deducted at source for that year; and
- (d) in so far as it is attributable to a payment made in instalments shall be attributed to a later instalment before being attributed to an earlier one.

(4A) In this section any reference to income tax deducted at source for a year of assessment is a reference to—

- (a) income tax deducted or treated as deducted from any income, or treated as paid on any income, in respect of that year, ^{F2453} . . .
- (b) ^{F2453}

but does not include a reference to amounts which, in that year, are deducted at source under ^{F2454} [PAYE regulations] in respect of previous years.]

(5) ^{F2455}

(6) ^{F2456F2457} . . .] The Treasury may by order from time to time increase or decrease the rate of interest by reference to which—

- (a) repayment supplements are calculated under subsection (1) above; and
- (b) repayment supplements are calculated under section 47 of the Finance (No. 2) Act 1975.

(7) A repayment supplement shall not be payable under this section in respect of a repayment or payment made in consequence of an order or judgment of a court having power to allow interest on the repayment or payment, or in respect of a repayment of a post-war credit within the meaning of the Income Tax (Repayment of Post-War Credits) Act 1959.

(8) ^{F2458}

(9) ^{M97} Subsections (1) ^{F2459} to (7) above shall apply in relation to ^{F2460} . . . ^{F2461} the trustees of a settlement ^{F2462}, scheme administrators of registered pension schemes sub-scheme administrators of sub-schemes which form part of a split scheme pursuant to the Registered Pensions (Splitting of Schemes) Regulations 2006 ^{F2463} or personal representatives ^{F2460} . . .] as they apply in relation to an individual.

(10) ^{F2464}

Textual Amendments

F2434S. 824(1) substituted (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the amending Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(1); S.I. 1998/3173, art. 2

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- F2435S.** 824(1)(c) substituted (1.4.2011) by The Finance Act 2009, Schedules 55 and 56 (Income Tax Self Assessment and Pension Schemes) (Appointed Days and Consequential and Savings Provisions) Order 2011 (S.I. 2011/702), arts. 1(1), 11 (with arts. 20, 22)
- F2436S.** 824(1A) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, **7(b)**
- F2437S.** 824(1A) repealed (from 18.8.1989) by Finance Act 1989 (c. 26), ss. 178(7), 187, **Sch. 17 Pt. 10**, Note; S.I. 1989/1298
- F2438S.** 824(2) omitted (with effect in accordance with Sch. 1 para. 73 of the repealing Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 52(3)**
- F2439S.** 824(2A) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, **7(d)**
- F2440S.** 824(2B) inserted (retrospectively, with effect in accordance with s. 41(4)-(6) of the amending Act) by Finance Act 1999 (c. 16), **s. 41(2)**
- F2441S.** 824(2C) inserted (with effect in accordance with s. 90(4) of the amending Act) by Finance Act 2001 (c. 9), **s. 90(2)**
- F2442S.** 824(2D) inserted (1.4.2011 with effect in accordance with art. 9(1) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2011 (S.I. 2011/1037), **arts. 1, 7(2)**
- F2443S.** 824(2D)(a) omitted (with effect in accordance with Sch. 39 para. 31(3) of the repealing Act) by virtue of Finance Act 2012 (c. 14), **Sch. 39 para. 31(2)(a)**
- F2444S.** 824(3) substituted (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the amending Act) by Finance Act 1994 (c. 9), **Sch. 19 para. 41(2)**; S.I. 1998/3173, **art. 2**
- F2445S.** 824(3)(aa) inserted (retrospectively, with effect in accordance with s. 41(4)-(6) of the amending Act) by Finance Act 1999 (c. 16), **s. 41(3)**
- F2446S.** 824(3)(ab) inserted (with effect in accordance with s. 90(4) of the amending Act) by Finance Act 2001 (c. 9), **s. 90(3)**
- F2447S.** 824(3)(ac) inserted (1.4.2010 with effect in accordance with art. 4(3) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2010 (S.I. 2010/157), **arts. 1, 4(1)(a)**
- F2448S.** 824(3)(ad) inserted (1.4.2011 with effect in accordance with art. 9(1) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2011 (S.I. 2011/1037), **arts. 1, 7(3)**
- F2449S.** 824(3)(a)(b) substituted (with effect in accordance with s. 92(6) of the amending Act) by Finance Act 1997 (c. 16), **s. 92(2)**
- F2450S.** Words in s. 824(3)(a)(ii) inserted (1.4.2010 with effect in accordance with art. 4(3) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2010 (S.I. 2010/157), **arts. 1, 4(1)(b)**
- F2451S.** Words in s. 824(3)(c) substituted (with effect in accordance with s. 92(6) of the amending Act) by Finance Act 1997 (c. 16), **s. 92(3)**
- F2452S.** 824(4)(4A) substituted for s. 824(4) (with effect in accordance with s. 92(6) of the amending Act) by Finance Act 1997 (c. 16), **s. 92(4)**
- F2453S.** 824(4A)(b) and preceding word omitted (with effect in accordance with Sch. 1 para. 73 of the repealing Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 52(4)**
- F2454S.** Words in s. 824(4A) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), **Sch. 6 para. 104** (with Sch. 7)
- F2455S.** 824(5) repealed (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the repealing Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(3)(a), **Sch. 26 Pt. 5(23)**, Note 3; S.I. 1998/3173, **art. 2**
- F2456S.** Words in s. 824(6) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, **7(f)**
- F2457S.** Words in s. 824(6) repealed (from 18.8.1989) by Finance Act 1989 (c. 26), ss. 178(7), 187, **Sch. 17 Pt. 10**, Note; S.I. 1989/1298
- F2458S.** 824(8) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 331(3), **Sch. 3** (with Sch. 2)
- F2459S.** Words in s. 824(9) substituted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 331(4)** (with Sch. 2)
- F2460S.** Words in s. 824(9) repealed (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the repealing Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(3)(b), **Sch. 26 Pt. 5(23)**, Note 3; S.I. 1998/3173, **art. 2**

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- F2461** Words in s. 824(9) substituted (1989-90 and subsequent years) by Finance Act 1989 (c. 26), s. 110(5)(6)-(9)
- F2462** Words in s. 824(9) inserted (6.4.2006) by Finance Act 2004 (c. 12), s. 284(1), Sch. 35 para. 33 (as amended by The Registered Pension Schemes (Splitting of Schemes) Regulations 2006 (S.I. 2006/569), regs. 1(1), 5(6)(7)) (with Sch. 36)
- F2463** Words in s. 824(9) substituted (1989-90 and subsequent years) by Finance Act 1989 (c. 26), s. 111(4)(5)-(8)
- F2464** S. 824(10) repealed (with effect in accordance with s. 199(2)(3), Sch. 19 para. 41(4) of the repealing Act) by Finance Act 1994 (c. 9), Sch. 19 para. 41(3)(c), Sch. 26 Pt. 5(23), Note 3; S.I. 1998/3173, art. 2

Modifications etc. (not altering text)

- C72** S. 824 excluded (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by Finance Act 1993 (c. 34), ss. 173, 184(3), Sch. 19 Pt. III para. 13(4)
- C73** S. 824 excluded (2.1.1996) by The Lloyd's Underwriters (Gilt-edged Securities) (Periodic Accounting for Tax on Interest) Regulations 1995 (S.I. 1995/3225), reg. 12(2) (with reg. 13)
- C74** S. 824 excluded (27.12.2005 with effect in accordance with reg. 1(2) of the affecting S.I.) by The Lloyd's Underwriters (Tax) Regulations 2005 (S.I. 2005/3338), regs. 1(1), 14(4)
- C75** S. 824 restricted (1.4.2011) by The Finance Act 2009, Sections 101 to 103 (Income Tax Self Assessment) (Appointed Days and Transitional and Consequential Provisions) Order 2011 (S.I. 2011/701), arts. 1(1), 4(2)(a), 5
- C76** S. 824 excluded (5.10.2020) by The Finance Act 2009, Sections 101 and 102 (Disguised Remuneration Repayment Scheme) (Appointed Day and Consequential Amendment) Order 2020 (S.I. 2020/979), arts. 1, 4
- C77** S. 824(3) modified (22.7.2004) by Finance Act 2004 (c. 12), s. 108
- C78** S. 824(3) modified (1.4.2010 with effect in accordance with s. 381(1) of the modifying Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), s. 137 (with Sch. 9)

Marginal Citations

- M97** Source—1975 (No.2) s.47(11), (12).

825 Repayment supplements: companies.

- (1) ^{M98}This section applies to the following payments made to a company in connection with any accounting period for which the company was resident in the United Kingdom (“the relevant accounting period”), that is to say—
- (a) a repayment of corporation tax paid by the company for that accounting period (including advance corporation tax paid in respect of distributions made by the company in that accounting period ^{F2465} . . .); or
 - (b) a repayment of income tax in respect of a payment received by the company in that accounting period on which the company bore income tax by deduction; ^{F2466} . . .
 - (c) ^{F2466}
- (2) Subject to the following provisions of this section, where a payment ^{F2467} . . . to which this section applies is made by the Board or an inspector after the end of the 12 months beginning with the material date, the payment shall be increased under this section by an amount (a “repayment supplement”) equal to interest on the amount paid at the [^{F2468}rate applicable under section 178 of the Finance Act 1989] for each complete tax month contained in the period (if any) beginning with the relevant date and ending at the end of the tax month in which the order for the payment is issued.

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[^{F2469F2470}(2A)]

- (3) ^{M99}For the purposes of subsection (2) above—
- (a) if the payment is a repayment of corporation tax that was paid on or after the first anniversary of the material date, the relevant date is the anniversary of the material date that occurs next after the date on which that tax was paid;
 - (b) in any other case, the relevant date is the first anniversary of the material date;
- and where a payment to which this section applies is a repayment of corporation tax paid by a company on different dates, the payment shall as far as possible be treated for the purposes of this subsection as a repayment of tax paid on a later rather than an earlier date among those dates.

- (4) For the purposes of this section—
- (a) a repayment of corporation tax made in consequence of a claim by a company under section 239(3) to have the whole or any part of an amount of surplus advance corporation tax arising in the case of any accounting period treated as if it were advance corporation tax paid in respect of distributions made by the company in any earlier accounting period shall be treated as a repayment of corporation tax paid for the accounting period in the case of which that amount of surplus advance corporation tax arose; and
 - (b) a repayment of income tax or corporation tax made on a claim under subsection (4) of section 419 shall be treated as if it were a repayment of corporation tax paid for the accounting period in which the repayment of, or of the part in question of, the loan or advance mentioned in that subsection was made; [^{F2471}and
 - (c) a repayment of corporation tax or income tax falling to be made as a result of a claim under section 393A(1) to have the whole or any part of a loss incurred in an accounting period set off against profits of an earlier accounting period (“the earlier period”)—
 - (i) shall, in a case where the earlier period falls wholly within the period of twelve months immediately preceding the accounting period in which the loss was incurred, be treated as a repayment of tax paid for the earlier period; and
 - (ii) in any other case, shall be treated as a repayment of tax paid for the accounting period in which the loss is incurred; and

^{F2472}(d)]

- (5) [^{F2473F2474}. . .] The Treasury may by order from time to time increase or decrease the rate of interest by reference to which repayment supplements are calculated under subsection (2) above.
- (6) A repayment supplement shall not be payable under this section in respect of a payment made in consequence of an order or judgment of a court having power to allow interest on the payment.
- (7) A repayment supplement paid under this section shall be disregarded for all purposes of income tax and corporation tax.
- (8) In this section—
- “tax month” means the period beginning with the 6th day of any calendar month and ending with the 5th day of the following calendar month;

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“the material date” in relation to a payment to which this section applies, means the last date on which corporation tax on any of the profits of the company in question arising in the relevant accounting period could have been paid—

- (a) in a case where section 10(1) applies, within the nine months there mentioned;
- (b) in a case where section 478 applies, within the time limit imposed by subsection (2)(a) of that section, but subject to subsection (6) of that section.

(9) This section has effect subject to section 826(8).

Textual Amendments

- F2465** Words in s. 825(1)(a) repealed (for accounting periods beginning after 31.3.1989) by [Finance Act 1989 \(c. 26\)](#), s. 187, [Sch. 17 Pt. V](#), Note 6
- F2466** S. 825(1)(c) and preceding word omitted (with effect in accordance with Sch. 1 para. 73 of the repealing Act) by virtue of [Finance Act 2016 \(c. 24\)](#), [Sch. 1 para. 52\(5\)](#)
- F2467** Words in s. 825(2) repealed (with effect in relation to payments made on and after 6.4.1993) by [Finance Act 1989 \(c. 26\)](#), ss. 158(2), 187, [Sch. 17 Pt. 8](#), Note 5; S.I. 1993/753
- F2468** Words in s. 825(2) substituted (from 18.8.1989) by [Finance Act 1989 \(c. 26\)](#), s. 179(1)(a)(vii); S.I. 1989/1298
- F2469** S. 825(2A) inserted (retrospectively) by [Finance Act 1988 \(c. 39\)](#), s. 146, Sch. 13 paras. 1, [8\(a\)](#)
- F2470** S. 825(2A) repealed (from 18.8.1989) by [Finance Act 1989 \(c. 26\)](#), ss. 178(7), 187, [Sch. 17 Pt. 10](#), Note; S.I. 1989/1298
- F2471** Words in s. 825(4) added by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), s. 73(3)(4)(5), [Sch. 15 para. 22](#)
- F2472** S. 825(4)(d) repealed (with effect in accordance with s. 20 of the repealing Act) by [Finance \(No. 2\) Act 1997 \(c. 58\)](#), [Sch. 8 Pt. 2\(4\)](#), Note
- F2473** Words in s. 825(2A) inserted (retrospectively) by [Finance Act 1988 \(c. 39\)](#), s. 146, Sch. 13 paras. 1, [8\(b\)](#)
- F2474** Words in s. 825(5) repealed (from 18.8.1989) by [Finance Act 1989 \(c. 26\)](#), ss. 178(7), 187, [Sch. 17 Pt. 10](#), Note; S.I. 1989/1298

Modifications etc. (not altering text)

- C79** S. 825(4)(a) modified (27.7.1993) by [Finance Act 1993 \(c. 34\)](#), s. 120, [Sch. 14 para. 10\(6\)](#)
 S. 825(4)(a) modified (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), s. 120, [Sch. 24 para. 12\(5\)](#)

Marginal Citations

- M98** Source—1975 (No.2) s.48(1), (2)
M99 Source—1975 (No.2) s.48(4)-(9)

826 Interest on tax overpaid.

^{M100}(1) In any case where—

- (a) a repayment falls to be made of corporation tax paid by a company for an accounting period which ends after the appointed day; or
- [^{F2475}(aa) a repayment falls to be made under sections 246N and 246Q of advance corporation tax paid by a company in respect of distributions made by it in such an accounting period; or]
- (b) a repayment of income tax falls to be made in respect of a payment received by a company in such an accounting period; or

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- (c) ^{F2476}
- [^{F2477}(d) a payment of R&D tax credit falls to be made to a company under [^{F2478}Chapter 2 or 7 of Part 13 of CTA 2009] in respect of an accounting period][^{F2479}; or
^{F2480} [^{F2481}]
- (da)
- (e) a payment of land remediation tax credit or life assurance company tax credit falls to be made to a company under [^{F2482}Part 14 of CTA 2009] in respect of an accounting period][^{F2483}; or
- (f) a payment of film tax credit falls to be made to a company][^{F2484}, or
^{F2485} [^{F2485}(fa) a payment of television tax credit falls to be made to a company; or
- (fb) a payment of video game tax credit falls to be made to a company; or]
- [^{F2486}(fc) a payment of theatre tax credit falls to be made to a company; or]
- [^{F2487}(fd) a payment of orchestra tax credit falls to be made to a company; or]
- [^{F2488}(fe) a payment of museums and galleries exhibition tax credit falls to be made to a company; or]
- (g) a payment of first-year tax credit falls to be made to a company under Schedule A1 to the Capital Allowances Act,]

then, from the material date until [^{F2489}the order for repayment or payment is issued], the repayment or payment shall carry interest at the rate which, under section 89 of the Management Act, is for the time being the prescribed rate for the purposes of this section.

- (2) [^{F2490}Subject to section 826A(2),] in relation to corporation tax paid by a company for an accounting period, the material date for the purposes of this section is the date on which corporation tax was paid or, if it is later, the date on which corporation tax for that accounting period became (or, as the case may be, would have become) due and payable in accordance with [^{F2491}section 59D of the Management Act (payment of corporation tax)].

[^{F2492}(2A) ^{F2493}

- (3) In relation to a repayment of income tax falling within subsection (1)(b) above ^{F2494} , [^{F2495}the material date is the day after the end of the accounting period] in which the payment referred to in subsection (1)(b) above ^{F2496} was received by the company.

[^{F2497}(3A) In relation to a payment of R&D tax credit falling within subsection (1)(d) above the material date is whichever is the later of—

- (a) the filing date for the company’s company tax return for the accounting period for which the R&D tax credit is claimed, and
- (b) the date on which the company tax return or amended company tax return containing the claim for payment of the R&D tax credit is delivered to the Inland Revenue.

For this purpose “the filing date”, in relation to a company tax return, has the same meaning as in Schedule 18 to the ^{M101}Finance Act 1998.]

[^{F2498}(3AA) ^{F2499}

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[^{F2500}(3B) In relation to a payment of land remediation tax credit or life assurance company tax credit falling within subsection (1)(e) above the material date is whichever is the later of—

- (a) the filing date for the company’s company tax return for the accounting period for which the land remediation tax credit or the life assurance company tax credit is claimed, and
- (b) the date on which the company tax return or amended company tax return containing the claim for payment of the land remediation tax credit or the life assurance company tax credit is delivered to the Inland Revenue.

For this purpose “the filing date”, in relation to a company tax return, has the same meaning as in Schedule 18 to the Finance Act 1998.]

[^{F2501}(3C) In relation to a payment of film tax credit [^{F2502}, television tax credit [^{F2503}, video game tax credit [^{F2504}, theatre tax credit [^{F2505}, orchestra tax credit or museums and galleries exhibition tax credit]]]] the material date is whichever is the later of—

- (a) the filing date for the company's company tax return for the accounting period for which the tax credit is payable, and
- (b) the date on which the company tax return or amended company tax return containing the claim for payment is delivered to an officer of Revenue and Customs.

For this purpose “the filing date”, in relation to a company tax return, has the same meaning as in Schedule 18 to the Finance Act 1998.]

[^{F2506}(3D) In relation to a payment of first-year tax credit falling within subsection (1)(g) above the material date is whichever is the later of—

- (a) the filing date for the company's company tax return for the accounting period for which the tax credit is claimed, and
- (b) the date on which the company tax return or amended company tax return containing the claim for payment of the tax credit is delivered to the Commissioners for Her Majesty's Revenue and Customs.

For this purpose “the filing date”, in relation to a company tax return, has the same meaning as in Schedule 18 to the Finance Act 1998.]

(4) For the purposes of this section a repayment of tax made on a claim under [^{F2507}section 458 of CTA 2010] shall be treated as if it were a repayment of corporation tax for the accounting period in which [^{F2508}the event giving rise to entitlement to relief under [^{F2509}that section] occurred] but, in relation to such a repayment of tax, the material date for the purposes of this section is—

- [^{F2510}(a) the date when the entitlement to relief in respect of the repayment accrued, that is to say—
 - (i) where the repayment [^{F2511}, or the release or writing off,] of the loan or advance (or part thereof) occurred on or after the day mentioned in [^{F2512}section 458(4) of CTA 2010], the date nine months after the end of that accounting period; and
 - (ii) in any other case, the date nine months after the end of the accounting period in which the loan or advance was made;

or]

- (b) if it is later, the date on which the tax which is to be repaid was in fact paid.

(5) ^{F2513}

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[^{F2514}(5A) ^{F2513}.....]

(6) Where a repayment of corporation tax is a repayment of tax paid by a company on different dates, the repayment shall so far as possible be treated for the purposes of this section as a repayment of tax paid on a later rather than an earlier date among those dates.

(7) ^{F2515}.....

^{F2516}[^{F2517}(7A) In any case where—

- (a) a company carrying on a trade incurs a loss in the trade in an accounting period (“the later period”),
- (b) as a result of a claim under [^{F2518}section 37 of CTA 2010], the whole or any part of that loss is [^{F2519}relieved][^{F2520}(whether under [^{F2521}section 37 or 42 of that Act])] for the purposes of corporation tax against profits (of whatever description) of an earlier accounting period (“the earlier period”) which does not fall wholly within the period of twelve months immediately preceding the later period, and
- (c) a repayment falls to be made of corporation tax paid for the earlier period or of income tax in respect of a payment received by the company in that accounting period,

then, in determining the amount of interest (if any) payable under this section on the repayment referred to in paragraph (c) above, no account shall be taken of [^{F2522}so much of the amount of that repayment as falls to be made] as a result of the claim under [^{F2523}section 37 of CTA 2010], except so far as concerns interest for any time after the date on which any corporation tax for the later period became (or, as the case may be, would have become) due and payable, [^{F2524}as mentioned in subsection (7D) below].

[^{F2517}(7AA) ^{F2525}.....]

[^{F2526}(7AA) In any case where—

- (a) a company ceases to carry on a trade in an accounting period (“the terminal period”),
- (b) as a result of a claim under section 45F of CTA 2010, the whole or any part of a loss made in the trade is relieved for the purposes of corporation tax against profits (of whatever description) of an earlier accounting period (“the earlier period”) which does not fall wholly within the period of 12 months immediately preceding the terminal period, and
- (c) a repayment falls to be made of corporation tax paid for the earlier period or of income tax in respect of a payment received by the company in that accounting period,

then, in determining the amount of interest (if any) payable under this section on the repayment referred to in paragraph (c) above, no account shall be taken of so much of the amount of that repayment as falls to be made as a result of the claim under section 45F, except so far as concerns interest for any time after the date on which any corporation tax for the terminal period became (or, as the case may be, would have become) due and payable, as mentioned in subsection (7D) below.)]

^{F2527}(7B).....

[^{F2528}(7BB) Subject to subsection (7BC) below, in any case where—

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- (a) within the meaning of section 806D, any relievable underlying tax or relievable withholding tax arises in an accounting period of a company (“the later period”),
 - (b) pursuant to a claim under section 806G, the whole or any part of that tax is treated as mentioned in section 806D(4)(c) or (5)(c) in relation to the single related dividend or the single unrelated dividend arising in an earlier accounting period (“the earlier period”), and
 - (c) a repayment falls to be made of corporation tax paid for the earlier period or of income tax in respect of a payment received by the company in that period,
- then, in determining the amount of interest (if any) payable under this section on the repayment referred to in paragraph (c) above, no account shall be taken of so much of the amount of the repayment as falls to be made as a result of the claim under section 806G, except so far as concerns interest for any time after the date on which any corporation tax for the later period became due and payable (as mentioned in subsection (7D) below).

(7BC) ^{F2529}]

^{F2530}(7C) In a case where—

- (a) there is for an accounting period of a company (“the later period”) ^{F2531} a non-trading deficit on the company’s loan relationships,
- (b) as a result of a claim under ^{F2532}^{F2533} section 389(1) or 459(1)(b) of CTA 2009] the whole or part of the deficit for the later period is set off against profits] of an earlier accounting period (“the earlier period”), and
- (c) a repayment falls to be made of corporation tax for the earlier period ^{F2534} or of income tax in respect of a payment received by the company in that accounting period],

then, in determining the amount of interest (if any) payable under this section on the ^{F2535} repayment referred to in paragraph (c) above, no account shall be taken of so much of the amount of the repayment as falls to be made as a result of] the claim under ^{F2536} section 389(1) or 459(1)(b) of CTA 2009] except so far as concerns interest for any time after the date on which any corporation tax for the later period became (or, as the case may be, would have become) due and payable, ^{F2524} as mentioned in subsection (7D) below].]

^{F2537}^{F2538}(7CA)]

^{F2539}(7D) In subsections (7), (7A), ^{F2540}(7AA),] (7B) ^{F2541}, (7BB)] and (7C) above, any reference to the date on which corporation tax for an accounting period became, or would have become, due and payable shall be construed on the basis that corporation tax for an accounting period becomes due and payable on the day following the expiry of nine months from the end of the accounting period.]

^{F2542}(7E) The power conferred by section 59E of the Management Act (alteration of date on which corporation tax becomes due and payable) does not include power to make provision in relation to subsection (7), (7A), ^{F2543}(7AA)] (7B), ^{F2544}(7BB),] (7C) or (7D) above the effect of which would be to change the meaning of references in subsection (7), (7A), ^{F2543}(7AA)] (7B) ^{F2544}, (7BB)] or (7C) above to the date on which corporation tax for an accounting period became, or would have become, due and payable (as mentioned in subsection (7D) above).]

(8) In consequence of the preceding provisions of this section, no repayment supplement (within the meaning of section 825) shall be paid in respect of any repayment of tax

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or payment of tax credit where the relevant accounting period (within the meaning of that section) ends after the appointed day.

[^{F2545}(8A) Where—

(a) interest has been paid to a company under subsection (1)(a) [^{F2546}[^{F2547}, (d)]], [^{F2548}[^{F2549}, (e) [^{F2550}(f), (fa), (fb) [^{F2551}, (fc) [^{F2552}, (fd) or (fe)]]]]] above,

[^{F2553}(b) there is—

- (i) a change in the company's assessed liability to corporation tax, or
- (ii) a change in the amount of the R&D tax credit [^{F2554}[^{F2555} . . .] [^{F2556}, land remediation tax credit or life assurance company tax credit] [^{F2557} or film tax credit] [^{F2558} or television tax credit or video game tax credit] [^{F2559} or theatre tax credit] [^{F2560} or orchestra tax credit] [^{F2561} or museums and galleries exhibition tax credit] [^{F2562} or first-year tax credit under Schedule A1 to the Capital Allowances Act] payable to the company (which does not result in a change falling within subparagraph (i)),

other than a change which in whole or in part corrects an error made by the Board or an officer of the Board, and]

(c) as a result only of that change (and, in particular, not as a result of any error in the calculation of the interest), it appears to an officer of the Board that the interest ought not to have been paid, either at all or to any extent,

the interest that ought not to have been paid may be recovered from the company as if it were interest charged under Part IX of the Management Act (interest on overdue tax).

(8B) For the purposes of subsection (8A) above, the cases where there is a change in a company's assessed liability to corporation tax are those cases where—

- (a) an assessment, or an amendment of an assessment, of the amount of corporation tax payable by the company for the accounting period in question is made, or
- (b) a determination of that amount is made under paragraph 36 or 37 of Schedule 18 to the Finance Act 1998 (which until superseded by a self-assessment under that Schedule has effect as if it were one),

whether or not any previous assessment or determination has been made.

[For the purposes of subsection (8A)(b) above, the cases where there is a change [^{F2563}(8BA) in the amount of the R&D tax credit [^{F2564}[^{F2565} . . .] [^{F2566}, the land remediation tax credit or the life assurance company tax credit] [^{F2567} or film tax credit] [^{F2568} or television tax credit or video game tax credit] [^{F2569} or theatre tax credit] [^{F2570} or orchestra tax credit] [^{F2571} or museums and galleries exhibition tax credit] [^{F2572} or first-year tax credit under Schedule A1 to the Capital Allowances Act] payable to the company are those cases where an assessment, or an amendment to an assessment, is made to recover an amount of R&D tax credit [^{F2564}[^{F2565} . . .] [^{F2573}, land remediation tax credit or life assurance company tax credit] [^{F2567} or film tax credit] [^{F2568} or television tax credit or video game tax credit] [^{F2569} or theatre tax credit] [^{F2570} or orchestra tax credit] [^{F2571} or museums and galleries exhibition tax credit] [^{F2572} or first-year tax credit under Schedule A1 to the Capital Allowances Act] paid to the company for the accounting period in question.]

(8C) In subsection (8A)(b) above “error” includes—

- (a) any computational error; and
- (b) the allowance of a claim or election which ought not to have been allowed.]

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- (9) In this section “the appointed day” means such day or days, not being earlier than 31st March 1992, as the Treasury may by order appoint for the purposes of this section.

Subordinate Legislation Made

P2 S. 826(1)(8)(9) power exercised: 30.9.1993 appointed by S.I. 1992/3066, **art. 2(2)(b)**

Textual Amendments

- F2475S.** 826(1)(aa) inserted (3.5.1994) by Finance Act 1994 (c. 9), **Sch. 16 para. 20(2)**
- F2476S.** 826(1)(c) and word omitted (with effect in accordance with Sch. 1 para. 73 of the repealing Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 52(6)(a)**
- F2477S.** 826(1)(d) and preceding word inserted (with effect in accordance with s. 69(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 21 para. 1(2)**
- F2478** Words in s. 826(1)(d) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(2)(a)** (with Sch. 2 Pts. 1, 2, para. 56)
- F2479S.** 826(1)(e) and preceding word inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(2)**
- F2480S.** 826(1)(da) inserted (with effect in accordance with Sch. 14 para. 5 of the amending Act) by Finance Act 2002 (c. 23), **Sch. 14 para. 1(2)**
- F2481S.** 826(1)(da) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(2)(b)**, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2, para. 56)
- F2482** Words in s. 826(1)(e) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(2)(c)** (with Sch. 2 Pts. 1, 2, para. 56)
- F2483S.** 826(1)(f) and preceding word inserted (1.1.2007) by Finance Act 2006 (c. 25), s. 53(1), **Sch. 5 para. 26(2)**; S.I. 2006/3399, **art. 2**
- F2484S.** 826(1)(g) and preceding word inserted (with effect in accordance with Sch. 25 para. 9 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 25 para. 7(2)**
- F2485S.** 826(1)(fa)(fb) inserted (19.7.2013 for specified purposes and 1.4.2014 for remaining purposes, and with effect in accordance with **Sch. 18 para. 23** of the amending Act and S.I. 2014/1962, **art. 2(2)**) by Finance Act 2013 (c. 29), Sch. 18 paras. 1(2), **22**; S.I. 2013/1817, **art. 2(2)**; S.I. 2014/1962, **art. 2(3)**
- F2486S.** 826(1)(fc) inserted (22.8.2014 with effect in accordance with Sch. 4 para. 17 of the amending Act) by Finance Act 2014 (c. 26), Sch. 4 paras. 2(2), **16**; S.I. 2014/2228, **art. 2**
- F2487S.** 826(1)(fd) inserted (with effect in accordance with Sch. 8 para. 17(1)(b) of the amending Act) by Finance Act 2016 (c. 24), **Sch. 8 para. 2(2)**
- F2488S.** 826(1)(fe) inserted (with effect in accordance with Sch. 6 para. 21(1)(b) of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 6 para. 2(2)**
- F2489** Words in s. 826(1) substituted (retrospectively) by Finance Act 1989 (c. 26), **s. 180(6)(7)**
- F2490** Words in s. 826(2) inserted (31.7.1998) by Finance Act 1998 (c. 36), **Sch. 4 para. 1(1)**
- F2491** Words in s. 826(2) substituted (with effect in accordance with s. 199(2) of the amending Act) by Finance Act 1994 (c. 9), **Sch. 19 para. 42**; S.I. 1998/3173, **art. 2**
- F2492S.** 826(2A) inserted (3.5.1994) by Finance Act 1994 (c. 9), **Sch. 16 para. 20(3)**
- F2493S.** 826(2A) repealed (with effect in accordance with Sch. 3 para. 38(5) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 38(2), **Sch. 27 Pt. 3(2)**, Note
- F2494** Words in s. 826(3) omitted (with effect in accordance with Sch. 1 para. 73 of the repealing Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 52(6)(b)(i)**
- F2495** Words in s. 826(3) substituted (with effect in accordance with Sch. 4 para. 2(2) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 2(1)**
- F2496** Words in s. 826(3) omitted (with effect in accordance with Sch. 1 para. 73 of the repealing Act) by virtue of Finance Act 2016 (c. 24), **Sch. 1 para. 52(6)(b)(ii)**
- F2497S.** 826(3A) inserted (with effect in accordance with s. 69(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 21 para. 1(3)**

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- F2498S.** 826(3AA) inserted (with effect in accordance with Sch. 14 para. 5 of the amending Act) by Finance Act 2002 (c. 23), **Sch. 14 para. 1(3)**
- F2499S.** 826(3AA) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 267(3), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F2500S.** 826(3B) inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(3)**
- F2501S.** 826(3C) inserted (1.1.2007) by Finance Act 2006 (c. 25), s. 53(1), **Sch. 5 para. 26(3)**; S.I. 2006/3399, **art. 2**
- F2502** Words in s. 826(3C) inserted (19.7.2013 for specified purposes and 1.4.2014 for remaining purposes, and with effect in accordance with **Sch. 18 para. 23** of the amending Act and S.I. 2014/1962, **art. 2(2)**) by Finance Act 2013 (c. 29), Sch. 18 paras. 1(3), **22**; S.I. 2013/1817, **art. 2(2)**; S.I. 2014/1962, **art. 2(3)**
- F2503** Words in s. 826(3C) substituted (22.8.2014 with effect in accordance with Sch. 4 para. 17 of the amending Act) by Finance Act 2014 (c. 26), Sch. 4 paras. 2(3), **16**; S.I. 2014/2228, **art. 2**
- F2504** Words in s. 826(3C) substituted (with effect in accordance with Sch. 8 para. 17(1)(b) of the amending Act) by Finance Act 2016 (c. 24), **Sch. 8 para. 2(3)**
- F2505** Words in s. 826(3C) substituted (with effect in accordance with Sch. 6 para. 21(1)(b) of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 6 para. 2(3)**
- F2506S.** 826(3D) inserted (with effect in accordance with Sch. 25 para. 9 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 25 para. 7(3)**
- F2507** Words in s. 826(4) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 117(2)(a)** (with Sch. 2)
- F2508** Words in s. 826(4) substituted (with effect in accordance with s. 90(2) of the amending Act) by Finance Act 1999 (c. 16), **s. 90(1)(a)**
- F2509** Words in s. 826(4) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 117(2)(b)** (with Sch. 2)
- F2510S.** 826(4)(a) substituted (with effect in accordance with s. 173(6) of the amending Act) by Finance Act 1996 (c. 8), **s. 173(5)**
- F2511** Words in s. 826(4)(a)(i) inserted (with effect in accordance with s. 90(2) of the amending Act) by Finance Act 1999 (c. 16), **s. 90(1)(b)**
- F2512** Words in s. 826(4)(a)(i) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 117(2)(c)** (with Sch. 2)
- F2513S.** 826(5)(5A) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 267(4), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F2514S.** 826(5A) inserted (with effect in accordance with s. 34(5) of the amending Act) by Finance Act 1998 (c. 36), **s. 34(4)**
- F2515S.** 826(7) repealed (with effect in accordance with Sch. 3 para. 38(6) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 38(3), **Sch. 27 Pt. 3(2)**, Note
- F2516S.** 826(7A)(7B) inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 73(3)(4)(5), **Sch. 15 para. 23**
- F2517S.** 826(7AA) inserted (27.7.1993) by 1993 c. 34, s. 120, **Sch. 14 para. 10(3)(5)**
- F2518** Words in s. 826(7A)(b) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 117(3)(a)(i)** (with Sch. 2)
- F2519** Words in s. 826(7A)(b) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 117(3)(a)(ii)** (with Sch. 2)
- F2520** Words in s. 826(7A)(b) inserted (with effect in accordance with s. 111(3) of the amending Act) by Finance Act 2008 (c. 9), **Sch. 35 para. 7**
- F2521** Words in s. 826(7A)(b) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 117(3)(a)(iii)** (with Sch. 2)
- F2522** Words in s. 826(7A) substituted (27.7.1993) by 1993 c. 34, s. 120, **Sch. 14 para. 10(2)**
- F2523** Words in s. 826(7A) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 117(3)(b)** (with Sch. 2)
- F2524** Words in s. 826(7)(7A)(7B)(7C) substituted (with effect in accordance with Sch. 4 para. 5(5)(6) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 5(2)**

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- F2525S.** 826(7AA)(7CA) repealed (with effect in accordance with Sch. 3 para. 38(7) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 38(4), **Sch. 27 Pt. 3(2)**, Note
- F2526S.** 826(7AA) inserted (with effect in accordance with Sch. 4 paras. 190-192 of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 4 para. 106(2)** (with Sch. 4 para. 194)
- F2527S.** 826(7B) repealed (with effect in accordance with s. 20 of the repealing Act) by Finance (No. 2) Act 1997 (c. 58), **Sch. 8 Pt. 2(4)**, Note
- F2528S.** 826(7BB)(7BC) inserted (28.7.2000) by Finance Act 2000 (c. 17), **Sch. 30 para. 29(2)**
- F2529S.** 826(7BC) omitted (with effect in accordance with Sch. 14 para. 31 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 14 para. 10**
- F2530S.** 826(7C) inserted (27.7.1993) by 1993 c. 34, s. 170, **Sch. 18 para. 5**
- F2531** Words in s. 826(7C)(a) substituted (with effect in accordance with s. 105(1) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 14 para. 48(1)(a)** (with Sch. 15)
- F2532** Words in s. 826(7C)(b) substituted (with effect in accordance with s. 105(1) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 14 para. 48(1)(b)** (with Sch. 15)
- F2533** Words in s. 826(7C)(b) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(5)(a)** (with Sch. 2 Pts. 1, 2)
- F2534** Words in s. 826(7C)(c) inserted (1.5.1995) by Finance Act 1995 (c. 4), **Sch. 24 para. 11(a)**
- F2535** Words in s. 826(7C) substituted (1.5.1995) by Finance Act 1995 (c. 4), **Sch. 24 para. 11(b)**
- F2536** Words in s. 826(7C) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(5)(b)** (with Sch. 2 Pts. 1, 2)
- F2537S.** 826(7AA)(7CA) repealed (with effect in accordance with Sch. 3 para. 38(7) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 38(4), **Sch. 27 Pt. 3(2)**, Note
- F2538S.** 826(7CA) inserted (with effect in accordance with Sch. 24 para. 12(4)(5) of the amending Act) by Finance Act 1995 (c. 4), **Sch. 24 para. 12(2)**
- F2539S.** 826(7D) inserted (with effect in accordance with Sch. 4 para. 5(5)(6) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 5(3)**
- F2540** Words in s. 826(7D) inserted (with effect in accordance with Sch. 4 paras. 190-192 of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 4 para. 106(3)** (with Sch. 4 para. 194)
- F2541** Words in s. 826(7D) inserted (28.7.2000) by Finance Act 2000 (c. 17), **Sch. 30 para. 29(3)**
- F2542S.** 826(7E) inserted (with effect in accordance with Sch. 4 para. 5(5)(6) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 5(4)**
- F2543** Words in s. 826(7E) inserted (with effect in accordance with Sch. 4 paras. 190-192 of the amending Act) by virtue of Finance (No. 2) Act 2017 (c. 32), **Sch. 4 para. 106(4)** (with Sch. 4 para. 194)
- F2544** Words in s. 826(7E) inserted (28.7.2000) by virtue of Finance Act 2000 (c. 17), **Sch. 30 para. 29(4)**
- F2545S.** 826(8A)-(8C) inserted (with effect in accordance with Sch. 4 para. 3(3) of the amending Act) by Finance Act 1998 (c. 36), **Sch. 4 para. 3(1)**
- F2546** Words in s. 826(8A)(a) inserted (with effect in accordance with s. 69(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 21 para. 1(4)(a)**
- F2547** Word in s. 826(8A)(a) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 267(6)(a)** (with Sch. 2 Pts. 1, 2)
- F2548** Words in s. 826(8A)(a) inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(4)(a)**
- F2549** Words in s. 826(8A)(a) substituted (1.1.2007) by Finance Act 2006 (c. 25), s. 53(1), **Sch. 5 para. 26(4)(a)**; S.I. 2006/3399, **art. 2**
- F2550** Words in s. 826(8A)(a) substituted (22.8.2014 with effect in accordance with Sch. 4 para. 17 of the amending Act) by Finance Act 2014 (c. 26), Sch. 4 paras. 2(4)(a), **16**; S.I. 2014/2228, **art. 2**
- F2551** Words in s. 826(8A)(a) substituted (with effect in accordance with Sch. 8 para. 17(1)(b) of the amending Act) by Finance Act 2016 (c. 24), **Sch. 8 para. 2(4)(a)**
- F2552** Words in s. 826(8A)(a) substituted (with effect in accordance with Sch. 6 para. 21(1)(b) of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 6 para. 2(4)(a)**
- F2553S.** 826(8A)(b) substituted (with effect in accordance with s. 69(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 21 para. 1(4)(b)**

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- F2554** Words in s. 826(8A)(b)(ii) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 267(6)(b), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F2555** Words in s. 826(8A)(b)(ii) inserted (with effect in accordance with Sch. 14 para. 5 of the amending Act) by Finance Act 2002 (c. 23), **Sch. 14 para. 1(4)(b)**
- F2556** Words in s. 826(8A)(b)(ii) inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(4)(b)**
- F2557** Words in s. 826(8A)(b)(ii) inserted (1.1.2007) by Finance Act 2006 (c. 25), s. 53(1), **Sch. 5 para. 26(4)(b)**; S.I. 2006/3399, **art. 2**
- F2558** Words in s. 826(8A)(b)(ii) inserted (19.7.2013 for specified purposes and 1.4.2014 for remaining purposes, and with effect in accordance with **Sch. 18 para. 23** of the amending Act and S.I. 2014/1962, **art. 2(2)**) by Finance Act 2013 (c. 29), Sch. 18 paras. 1(4), **22**; S.I. 2013/1817, **art. 2(2)**; S.I. 2014/1962, **art. 2(3)**
- F2559** Words in s. 826(8A)(b)(ii) inserted (22.8.2014 with effect in accordance with Sch. 4 para. 17 of the amending Act) by Finance Act 2014 (c. 26), Sch. 4 paras. 2(4)(b), **16**; S.I. 2014/2228, **art. 2**
- F2560** Words in s. 826(8A)(b)(ii) inserted (with effect in accordance with Sch. 8 para. 17(1)(b) of the amending Act) by Finance Act 2016 (c. 24), **Sch. 8 para. 2(4)(b)**
- F2561** Words in s. 826(8A)(b)(ii) inserted (with effect in accordance with Sch. 6 para. 21(1)(b) of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 6 para. 2(4)(b)**
- F2562** Words in s. 826(8A)(b)(ii) inserted (with effect in accordance with Sch. 25 para. 9 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 25 para. 7(4)**
- F2563** S. 826(8BA) inserted (with effect in accordance with s. 69(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 21 para. 1(5)**
- F2564** Words in s. 826(8BA) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 267(7), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F2565** Words in s. 826(8BA) inserted (with effect in accordance with Sch. 14 para. 5 of the amending Act) by Finance Act 2002 (c. 23), **Sch. 14 para. 1(5)**
- F2566** Words in s. 826(8BA) inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(5)(a)**
- F2567** Words in s. 826(8BA) inserted (1.1.2007) by virtue of Finance Act 2006 (c. 25), s. 53(1), **Sch. 5 para. 26(5)**; S.I. 2006/3399, **art. 2**
- F2568** Words in s. 826(8BA) inserted (19.7.2013 for specified purposes and 1.4.2014 for remaining purposes, and with effect in accordance with **Sch. 18 para. 23** of the amending Act and S.I. 2014/1962, **art. 2(2)**) by Finance Act 2013 (c. 29), Sch. 18 paras. 1(5), **22**; S.I. 2013/1817, **art. 2(2)**; S.I. 2014/1962, **art. 2(3)**
- F2569** Words in s. 826(8BA) inserted (22.8.2014 with effect in accordance with Sch. 4 para. 17 of the amending Act) by Finance Act 2014 (c. 26), Sch. 4 paras. 2(5), **16**; S.I. 2014/2228, **art. 2**
- F2570** Words in s. 826(8BA) inserted (with effect in accordance with Sch. 8 para. 17(1)(b) of the amending Act) by Finance Act 2016 (c. 24), **Sch. 8 para. 2(5)**
- F2571** Words in s. 826(8BA) inserted (with effect in accordance with Sch. 6 para. 21(1)(b) of the amending Act) by Finance (No. 2) Act 2017 (c. 32), **Sch. 6 para. 2(5)**
- F2572** Words in s. 826(8BA) inserted (with effect in accordance with Sch. 25 para. 9 of the amending Act) by Finance Act 2008 (c. 9), **Sch. 25 para. 7(5)**
- F2573** Words in s. 826(8BA) inserted (with effect in accordance with s. 70(1) of the amending Act) by Finance Act 2001 (c. 9), **Sch. 23 para. 3(5)(b)**

Modifications etc. (not altering text)

- C80** S. 826 excluded (2.1.1996) by The Lloyd's Underwriters (Gilt-edged Securities) (Periodic Accounting for Tax on Interest) Regulations 1995 (S.I. 1995/3225), **reg. 12(2)** (with reg. 13)
- C81** S. 826 applied (with modifications) (7.1.1999 in accordance with reg. 1(2) of the affecting S.I.) by The Corporation Tax (Instalment Payments) Regulations 1998 (S.I. 1998/3175), **reg. 8** (as amended by: S.I. 2005/889, **regs. 1(1)(3)**, 7; S.I. 2011/1785, **regs. 1**, 11; S.I. 2017/1072, **regs. 1**, 10)

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C82 S. 826 excluded (27.12.2005 with effect in accordance with reg. 1(2) of the affecting S.I.) by [The Lloyd's Underwriters \(Tax\) Regulations 2005 \(S.I. 2005/3338\)](#), **regs. 1(1), 14(4)(6)(b)**

Marginal Citations

M100 Source—1987 (No.2) s.87

M101 1998 c. 36.

[^{F2574} **826** Interest on payments in respect of corporation tax and meaning of “the material date”.

- (1) The Treasury may by regulations make provision applying section 826, with such modifications as may be prescribed, for the purpose of conferring on companies of such descriptions as may be prescribed a right to interest—
 - (a) on such payments made by them in respect of corporation tax as may be prescribed,
 - (b) at the rate applicable under section 178 of the ^{M102}Finance Act 1989, and
 - (c) for such period as may be prescribed,
 and for treating any such interest for the purposes, or prescribed purposes, of the Tax Acts as interest under section 826(1)(a) on a repayment of corporation tax.
- (2) The Treasury may by regulations make provision modifying section 826(2) in relation to companies of such description as may be prescribed.
- (3) Subsections (1) and (2) above do not apply in relation to companies in relation to which section 826(2) is modified or otherwise affected by regulations under section 59E of the Management Act (alteration of date on which corporation tax becomes due and payable) in relation to the accounting period to which the corporation tax in question relates.
- (4) Where the Treasury make regulations under subsection (2) above in relation to companies of any description, they may also make regulations modifying section 59DA(2) of the Management Act in relation to those companies, or any description of such companies, by varying the date before which the claim there mentioned may not be made.
- (5) Regulations under this section—
 - (a) may make different provision in relation to different cases or circumstances or in relation to companies or accounting periods of different descriptions;
 - (b) may make such supplementary, incidental, consequential or transitional provision as appears to the Treasury to be necessary or expedient.
- (6) Regulations under this section may not make provision in relation to accounting periods ending before the day appointed under section 199 of the ^{M103}Finance Act 1994 for the purposes of Chapter III of Part IV of that Act (corporation tax self-assessment).
- (7) In this section “prescribed” means prescribed by regulations made under this section.]

Textual Amendments

F2574S. 826A inserted (31.7.1998) by [Finance Act 1998 \(c. 36\)](#), **Sch. 4 para. 1(2)**

Marginal Citations

M102 1989 c. 26.

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M103 1994 c. 9.

827 VAT penalties etc.

F2575

Textual Amendments

F2575S. 827 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 268, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

[^{F2576}827A Territorial scope of charges under certain provisions to which section 836B applies

F2577]

Textual Amendments

F2576S. 827A inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), **Sch. 1 para. 333** (with Sch. 2)

F2577S. 827A repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 207, **Sch. 3 Pt. 1** (with Sch. 2)

828 Orders and regulations made by the Treasury or the Board.

(1) ^{M104}^{F2578} . . . Any power of the Treasury or the Board to make any order or regulations under this Act ^{F2579} . . . shall be exercisable by statutory instrument.

(2) ^{F2580}

(3) ^{M105} Subject to [^{F2581}subsection (4)] below and to any other provision to the contrary, any statutory instrument containing any order or regulations made by the Treasury or the Board ^{F2582} . . . shall be subject to annulment in pursuance of a resolution of the House of Commons.

(4) Subsection (3) above shall not apply in relation to an order or regulations made under section ^{F2583} [^{F2584}^{F2585} . . .] ^{F2586} ^{F2587} ^{F2588} ^{F2589} [^{F2590}^{F2586} . . .] [^{F2591}590C(6)] . . . [^{F2592}^{F2593} . . . ^{F2594} . . .] or paragraph 7 of Schedule 14 [^{F2595}^{F2596} . . .] or—

- (a) if any other Parliamentary procedure is expressly provided;
- (b) if the order in question is an order appointing a day for the purposes of any provision of the Tax Acts, being a day as from which the provision will have effect, with or without amendments, or will cease to have effect.

[^{F2597}(5) ^{F2598}

[^{F2599}(6) ^{F2598}

Textual Amendments

F2578 Words in s. 828(1) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 118(2)(a), **Sch. 3 Pt. 1** (with Sch. 2)

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- F2579** Words in s. 828(1) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 118(2)(b), **Sch. 3 Pt. 1** (with Sch. 2)
- F2580** S. 828(2) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 118(3), **Sch. 3 Pt. 1** (with Sch. 2)
- F2581** Words in s. 828(3) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 118(4)(a)** (with Sch. 2)
- F2582** Words in s. 828(3) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 118(4)(b), **Sch. 3 Pt. 1** (with Sch. 2)
- F2583** Words in s. 828(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 208(5)(a), **Sch. 3 Pt. 1** (with Sch. 2)
- F2584** Words in s. 828(4) inserted (10.7.2003) by Finance Act 2003 (c. 14), s. **180(2)**
- F2585** Words in s. 828(4) repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 269(2), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)
- F2586** Words in s. 828(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 208(5)(b), **Sch. 3 Pt. 1** (with Sch. 2)
- F2587** Words in s. 828(4) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 334(2), **Sch. 3** (with Sch. 2)
- F2588** Words in s. 828(4) repealed (3.5.1994) by Finance Act 1994 (c. 9), **Sch. 26 Pt. 5(19)**
- F2589** Words in s. 828(4) repealed (with effect in accordance with Sch. 20 Pt. 3(7) Note 4 of the repealing Act) by Finance Act 1999 (c. 16), **Sch. 20 Pt. 3(7)**
- F2590** Words in s. 828(4) inserted by Finance Act 1991 (c. 31, SIF 63:1), s. **118(2)**
- F2591** Words in s. 828(4) inserted by Finance Act 1989 (c. 26), **Sch. 6 para. 16**
- F2592** Words in s. 828(4) substituted (29.4.1996) by Finance Act 1996 (c. 8), **Sch. 37 para. 1(2)**
- F2593** Words in s. 828(4) repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), Sch. 8 para. 33, **Sch. 10 Pt. 1** (with Sch. 9)
- F2594** Words in s. 828(4) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 118(5), **Sch. 3 Pt. 1** (with Sch. 2)
- F2595** Words in s. 828(4) inserted by Capital Allowances Act 1990 (c. 1), **Sch. 1 para. 8(34)**
- F2596** Words in s. 828(4) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 208(5)(c), **Sch. 3 Pt. 1** (with Sch. 2)
- F2597** S. 828(5) added (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), **Sch. 6 para. 105(4)** (with Sch. 7)
- F2598** S. 828(5)(6) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 118(6), **Sch. 3 Pt. 1** (with Sch. 2)
- F2599** S. 828(6) inserted (6.4.2006) by Finance Act 2004 (c. 12), s. 284(1), **Sch. 35 para. 34** (with Sch. 36)

Modifications etc. (not altering text)

- C83** S. 828 excluded (18.3.2010) by Taxation (International and Other Provisions) Act 2010 (c. 8), **ss. 372(4), 381(2)(a)** (with Sch. 9)
- C84** S. 828(3) excluded by Finance Act 2000 (c. 17), **Sch. 22 para. 22C(3)** (as inserted (1.7.2005) by Finance Act 2005 (c. 7), Sch. 7 paras. 8, 18(1) (with **Sch. 7 paras. 19-21**))
- C85** S. 828(3) excluded (21.7.2009) by Finance Act 2009 (c. 10), **Sch. 22 para. 14(2)**
- C86** S. 828(4) modified (20.3.2007) by Income Tax Act 2007 (c. 3), **ss. 1030(4), 1034(4)(b)**

Marginal Citations

- M104** Source—1970 ss.65(5), 204, 231(3), 343 (1A); 1970(F) s.29(6), Sch.5 2(3), 10; 1972 ss.91(3), 108(4); 1973 Sch.16 17(2); 1975 (No.2) ss.47(10), 48(6), 69(9), 70(8), 70A(3); 1976 ss.64(4), 64A, (4) Sch.4 16(2); 1980 s.24(9); **Sch.10** 13(3); 1982 ss.28(5), 29(1), (3), Sch.7 14(2); 1984 ss.26(1), 88(8), 126(1), Sch.8 2(1)(f), 3A; 1983 Sch.5 5A(9), 6(8); 1986 s.28, 61, Sch.11 11, Sch.12 3, Sch.17 6(7).

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

M105 Source—1970 ss.65(5), 204, 343(1B); 1970(F) s.29(8), Sch.5 2(3), 10; 1973 Sch.16 17(2); 1975 (No.2) ss.47(10), 48(6), 69(9), 70(8), 70A(3); 1976 ss.64(4), 64A(4); 1982 s.29(5); 1983 Sch.5 5A(9), 6(9); 1984 ss.26(6), 88(8), Sch.8 2(1), 3A; 1986 ss.26, 27(7), 55, Sch.11 11, Sch.12 3, Sch.17 6(7)

829 Application of Income Tax Acts to public departments and avoidance of exempting provisions.

F2600

Textual Amendments

F2600S. 829 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 209, Sch. 3 Pt. 1](#) (with Sch. 2)

830 Territorial sea ^{F2601}. . . .

- (1) ^{F2602}
- (2) ^{F2603}
- (3) ^{F2603}
- (4) ^{F2603}
- (5) ^{F2604}

Textual Amendments

- F2601** Words in s. 830 title omitted (1.4.2009 with effect in accordance with art. 1(2) of the repealing S.I.) by virtue of [The Corporation Tax Act 2009 \(Amendment\) Order 2009 \(S.I. 2009/2860\), arts. 1, 3\(4\)\(b\)](#)
- F2602S. 830(1)** repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 119, Sch. 3 Pt. 1](#) (with Sch. 2)
- F2603S. 830(2)-(4)** repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\), Sch. 1 para. 270, Sch. 3 Pt. 1](#) (with Sch. 2 Pts. 1, 2)
- F2604S. 830(5)** repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), Sch. 6 para. 106, Sch. 8 Pt. 1](#) (with Sch. 7)

Interpretation

831 Interpretation of this Act.

- (1) ^{M106}In this Act, except so far as the context otherwise requires—
 - (a) “the Corporation Tax Acts” means the enactments relating to the taxation of the income and chargeable gains of companies and of company distributions (including provisions relating also to income tax); and
 - (b) “the Income Tax Acts” means the enactments relating to income tax, including any provisions of the Corporation Tax Acts which relate to income tax.
- (2) In this Act “the Tax Acts”, except so far as the context otherwise requires, means this Act and all other provisions of the Income Tax Acts and the Corporation Tax Acts.

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

(3) In this Act—

[^{F2605}“CTA 2009” means the Corporation Tax Act 2009;]

[^{F2606}“CTA 2010” means the Corporation Tax Act 2010;]

[^{F2607}“ITEPA 2003” means the Income Tax (Earnings and Pensions) Act 2003;]

[^{F2608}“ITTOIA 2005” means the Income Tax (Trading and Other Income) Act 2005;]

[^{F2609}“ITA 2007” means the Income Tax Act 2007;]

“the Management Act” means the Taxes Management Act 1970;

[^{F2610}“TIOPA 2010” means the Taxation (International and Other Provisions) Act 2010;]

“the 1968 Act” means the Capital Allowances Act 1968;

“the 1970 Act” means the Income and Corporation Taxes Act 1970; and

“the 1979 Act” means the Capital Gains Tax Act 1979.

[^{F2611}“the 1990 Act” means the Capital Allowances Act 1990.]

[^{F2612}“the 1992 Act” means the Taxation of Chargeable Gains Act 1992.]

(4) Section 1 of the ^{M107}Family Law Reform Act 1987, the paragraph inserted in Schedule 1 to the ^{M108}Interpretation Act 1978 by paragraph 73 of Schedule 2 to that Act and section 1(3) of the ^{M109}Law Reform (Parent and Child) (Scotland) Act 1986 (legal equality of illegitimate children) shall be disregarded in construing references in this Act to a child or to children (however expressed).

(5) ^{M110}This Act, so far as it relates to capital gains tax, shall be construed as one with the [^{F2613}1992] Act.

(6) Any reference in this Act to a section, Part or Schedule is a reference to that section, Part or Schedule of or to this Act, unless the context otherwise requires.

Textual Amendments

F2605S. 831(3): definition of “CTA 2009” inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 271](#) (with [Sch. 2 Pts. 1, 2](#))

F2606S. 831(3): definition of “CTA 2010” inserted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 120](#) (with [Sch. 2](#))

F2607S. 831(3): definition of “ITEPA 2003” inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 107](#) (with [Sch. 7](#))

F2608S. 831(3): definition of “ITTOIA 2005” inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 336](#) (with [Sch. 2](#))

F2609S. 831(3): definition of “ITA 2007” inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 211](#) (with [Sch. 2](#))

F2610S. 831(3): definition of “TIOPA 2010” inserted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [Sch. 8 para. 316](#) (with [Sch. 9](#))

F2611S. 831(3): definition of “the 1990 Act” inserted by [Capital Allowances Act 1990 \(c. 1\)](#), [Sch. 1 para. 8\(35\)](#); and that amendment continued by [Capital Allowances Act 2001 \(c. 2\)](#), s. 579, [Sch. 2 para. 59](#)

F2612S. 831(3): definition of “the 1992 Act” inserted (with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, [Sch. 10 para. 14\(53\)\(a\)](#) (with ss. 60, 101(1), 171, 201(3))

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F2613 Words in s. 831(5) substituted (with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch. 10 para. 14(53)(b)** (with ss. 60, 101(1), 171, 201(3))

Modifications etc. (not altering text)

C87 S. 831(4) applied (28.7.2000) by Finance Act 2000 (c. 17), **Sch. 22 para. 144(2)**

Marginal Citations

M106 Source—1970 s.526(1), (2); 1987 Sch.15 12

M107 1987 c. 42.

M108 1978 c. 30.

M109 1986 c. 9.

M110 Source—1970 s.540(2)

832 Interpretation of the [^{F2614}Corporation Tax Acts etc].

F2615

Textual Amendments

F2614 Words in s. 832 sidenote substituted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 212(6)** (with Sch. 2)

F2615 S. 832 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 121, **Sch. 3 Pt. 1** (with Sch. 2)

833 Interpretation of Income Tax Acts.

F2616

Textual Amendments

F2616 S. 833 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 213, **Sch. 3 Pt. 1** (with Sch. 2)

834 Interpretation of the Corporation Tax Acts.

F2617

Textual Amendments

F2617 S. 834 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 122, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2618}**834 Miscellaneous charges (list for the purposes of certain provisions that formerly referred to Case VI of Schedule D)**

F2619]

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments

- F2618S. 834A** inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 274** (with Sch. 2 Pts. 1, 2)
- F2619S. 834A** repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 123, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2620} **834B** Meaning of “UK property business” and “overseas property business”

F2621]

Textual Amendments

- F2620S. 834B** inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 275** (with Sch. 2 Pts. 1, 2)
- F2621S. 834B** repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 124, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2622} **834C** Total profits

F2623]

Textual Amendments

- F2622S. 834C** inserted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 276** (with Sch. 2 Pts. 1, 2)
- F2623S. 834C** repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 125, **Sch. 3 Pt. 1** (with Sch. 2)

835 “Total income” in the Income Tax Acts.

F2624]

Textual Amendments

- F2624S. 835** repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 215, **Sch. 3 Pt. 1** (with Sch. 2)

836 Returns of total income.

F2625]

Textual Amendments

- F2625S. 836** repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 216, **Sch. 3 Pt. 1** (with Sch. 2)

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[^{F2626}**836** **Generally accepted accounting practice**

F2627]

Textual Amendments

F2626S. 836A inserted (with effect in accordance with s. 103(6) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [s. 103\(2\)](#)

F2627S. 836A repealed (with effect in accordance with s. 80(4) of the repealing Act) by [Finance Act 2005 \(c. 7\)](#), [Sch. 4 para. 25](#), [Sch. 11 Pt. 2\(7\)](#), Note 2

[^{F2628}**836B** **Table of provisions to which this section applies**

F2629]

Textual Amendments

F2628S. 836B inserted (6.4.2005 with effect in accordance with s. 883(1) of the amending Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), [Sch. 1 para. 340](#) (with [Sch. 2](#))

F2629S. 836B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 217](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

837 “Annual value” of land.

F2630]

Textual Amendments

F2630S. 837 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 218](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F2631}**837** **Meaning of “research and development”.**

F2632]

Textual Amendments

F2631S. 837A inserted (28.7.2000) by [Finance Act 2000 \(c. 17\)](#), [Sch. 19 para. 1](#)

F2632S. 837A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 126](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

[^{F2633}**837B** **Meaning of “oil and gas exploration and appraisal”.**

F2634]

Textual Amendments

F2633S. 837B inserted (28.7.2000) by [Finance Act 2000 \(c. 17\)](#), [Sch. 19 para. 2](#)

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F2634S. 837B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 127, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2635}837C Meaning of “offshore installation”

^{F2636}]

Textual Amendments

F2635S. 837C inserted (with effect in accordance with Sch. 27 para. 3 of the amending Act) by Finance Act 2004 (c. 12), **Sch. 27 para. 1**

F2636S. 837C repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 128, **Sch. 3 Pt. 1** (with Sch. 2)

838 Subsidiaries.

^{F2637}

Textual Amendments

F2637S. 838 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 129, **Sch. 3 Pt. 1** (with Sch. 2)

839 Connected persons.

^{F2638}

Textual Amendments

F2638S. 839 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 130, **Sch. 3 Pt. 1** (with Sch. 2)

840 Meaning of “control” in certain contexts.

^{F2639}

Textual Amendments

F2639S. 840 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 131, **Sch. 3 Pt. 1** (with Sch. 2)

[^{F2640}840A Meaning of “tax advantage”

^{F2641}]

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

- F2640S. 840ZA** inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 225](#) (with Sch. 2)
- F2641S. 840ZA** repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 132](#), [Sch. 3 Pt. 1](#) (with Sch. 2)

[^{F2642}**840Banks.**

F2643]

Textual Amendments

- F2642S. 840A** inserted (29.4.1996) by [Finance Act 1996 \(c. 8\)](#), [Sch. 37 para. 1\(1\)](#)
- F2643S. 840A** repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 133](#), [Sch. 3 Pt. 1](#) (with Sch. 2)

841 Meaning of “recognised stock exchange” etc

F2644]

Textual Amendments

- F2644S. 841** repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 134](#), [Sch. 3 Pt. 1](#) (with Sch. 2)

[^{F2645}**841Recognised clearing systems.**

F2646]

Textual Amendments

- F2645S. 841A** inserted (with effect in accordance with [Sch. 7 para. 32](#) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 7 para. 26](#) (with Sch. 7 paras. 33-35)
- F2646S. 841A** repealed (28.7.2000) by [Finance Act 2000 \(c. 17\)](#), [Sch. 40 Pt. 2\(17\)](#)

842 Investment trusts.

F2647]

Textual Amendments

- F2647S. 842** repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 135](#), [Sch. 3 Pt. 1](#) (with Sch. 2)

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[^{F2648}**842AA** Venture capital trusts.

F2649]

Textual Amendments

F2648S. 842AA inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), s. 70\(1\)](#)

F2649S. 842AA repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 229, Sch. 3 Pt. 1 \(with Sch. 2\)](#)

[^{F2650}**842A** Local authorities.

F2651]

Textual Amendments

F2650S. 842A inserted (1.4.1990) by [Finance Act 1990 \(c. 29\), s.127\(1\)\(4\)](#)

F2651S. 842A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 136, Sch. 3 Pt. 1 \(with Sch. 2\)](#)

[^{F2652}**842B** Meaning of ^{F2653}... “property investment LLP”

F2654]

Textual Amendments

F2652S. 842B inserted (6.4.2001 with effect in accordance with s. 76(1) of the amending Act) by [Finance Act 2001 \(c. 9\), s. 76\(2\), Sch. 25 para. 1\(1\)](#)

F2653Words in s. 842B sidenote repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 231\(4\), Sch. 3 Pt. 1 \(with Sch. 2\)](#)

F2654S. 842B repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 1 para. 137, Sch. 3 Pt. 1 \(with Sch. 2\)](#)

Commencement, savings, repeals etc.

843 Commencement.

- (1) Except as otherwise provided by the following provisions of this section, this Act shall come into force in relation to tax for the year 1988-89 and subsequent years of assessment, and for companies’ accounting periods ending after 5th April 1988.
- (2) Except as otherwise provided by the following provisions of this section, such of the provisions of this Act as relate to capital gains tax (including the provisions of Part XVIII as applied to capital gains tax by section [^{F2655}277 of [^{F2656}the 1992 Act]]) shall come into force in relation to that tax for the year 1988-89 and subsequent years of assessment.
- (3) The following provisions of this Act, that is to say—
 - (a) so much of any provision as authorises the making of any Order in Council or regulations or other instrument;

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- (b) so much of any provision as relates to the making of a return, the furnishing of a certificate or the giving of any other information, including any such provision which imposes a duty on the Board or an officer of the Board as well as any such provision which imposes a duty on any other person;
- (c) so much of any provision as imposes any penalty;
- (d) except where the tax concerned is all tax for years of assessment before the year 1988-89 or accounting periods ending before 6th April 1988, so much of any other provision as confers any power or imposes any duty the exercise or performance of which operates or may operate in relation to tax for more than one chargeable period,

shall come into force for all purposes on 6th April 1988 to the exclusion of the corresponding enactments repealed by this Act.

- (4) This section has effect except as otherwise provided by any other provision of this Act, and in particular except as provided by sections 96, 380 to 384, 393, ^{F2657} . . . , 400, 703 ^{F2658}

Textual Amendments

F2655 Words in s. 843(2) substituted (with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch. 10 para. 14(56)** (with ss. 60, 101(1), 171, 201(3))

F2656 Words in s. 843(2) substituted (retrospectively) by Finance Act 1994 (c. 9), **Sch. 17 para. 8**

F2657 Words in s. 843(4) repealed by Finance Act 1991 (c. 31, SIF 63:1), ss. 73(3)(4)(5), 123, Sch. 15 para. 24, **Sch. 19 Pt. V**, Note 4

F2658 Words in s. 843(4) repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1, Note

844 Savings, transitional provisions, consequential amendments and repeals.

- (1) Schedule 29, which makes amendments to other enactments consequential on the passing of this Act, shall have effect.
- (2) Schedule 29, section 843 and this section are without prejudice to the provisions of the ^{M111} Interpretation Act 1978 as respects the effect of repeals.
- (3) Schedule 30 which contains savings and transitional provisions shall have effect.
- (4) The enactments mentioned in Schedule 31 are hereby repealed to the extent specified in the third column of that Schedule.
- (5) Subject to subsection (6) below, section 843(3), Schedule 30 and to any other provision of this Act by which any provision is brought into force to the exclusion of the corresponding enactments repealed by this Act, those repeals shall come into force in accordance with subsections (1) and (2) of section 843.
- (6) No provision mentioned in subsection (5) above shall be taken as bringing a repeal into force except to the extent that the repealed enactment is being superseded.

Marginal Citations

M111 1978 c. 30.

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

845 Short title.

This Act may be cited as the Income and Corporation Taxes Act 1988.

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

SCHEDULES

F2659F2659 | F2660 SCHEDULE A1

Textual Amendments

F2659 Sch. A1 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 278](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

F2660 Sch. A1 inserted (with effect in accordance with s. 149(6) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), s. 149(3), [Sch. 25](#)

F2661F2661 | F2662 SCHEDULE A2

Textual Amendments

F2661 Sch. A2 repealed (with effect in accordance with s. 26(8)-(11) of the repealing Act) by [Finance Act 2006 \(c. 25\)](#), s. 26(2), [Sch. 26 Pt. 3\(1\)](#), Note

F2662 Sch. A2 inserted (with effect in accordance with s. 28(4)(5) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), s. 28(2)(6), [Sch. 3](#)

F2663F2663 SCHEDULE 1

Textual Amendments

F2663 Sch. 1 repealed (with effect in accordance with s. 38(2)(3) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), s. 165, [Sch. 27 Pt. 3\(4\)](#), Note

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F2664F2664 SCHEDULE 2

Textual Amendments

F2664Sch. 2 repealed (with effect in accordance with Sch. 14 Pt. IV Note 9 of the repealing Act) by [Finance Act 1988 \(c. 39\)](#) ss. 75, 148, Sch.14 Part IV

F2664

F2665F2665 SCHEDULE 3

Textual Amendments

F2665Sch. 3 repealed (with effect in accordance with Sch. 7 para. 32 of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), ss. 79, 205, [Sch. 7 para. 27](#), [Sch. 41 Pt. 5\(2\)](#), Note (with Sch. 7 paras. 33-35)

F2688F2688 SCHEDULE 4

Textual Amendments

F2688Sch. 4 repealed (with effect in accordance with s. 105(1) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 14 para. 50](#), [Sch. 41 Pt. 5\(3\)](#), Note (with Sch. 15)

Interpretation

1

F2689

Textual Amendments

F2689Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 14 para. 50](#), [Sch. 41 Pt. 5\(3\)](#)

Charge to tax after acquisition of certain securities

2

F2690

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2690 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 14 para. 50](#), [Sch. 41 Pt. 5\(3\)](#)

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3 **F2691**

Textual Amendments

F2691 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 14 para. 50](#), [Sch. 41 Pt. 5\(3\)](#)

Charge to tax on disposal of securities

.....
4 **F2692**

Textual Amendments

F2692 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 14 para. 50](#), [Sch. 41 Pt. 5\(3\)](#)

Deduction of income element from total profits of company and allowance as charge on income

.....
5 **F2693**

Textual Amendments

F2693 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 14 para. 50](#), [Sch. 41 Pt. 5\(3\)](#)

Modifications etc. (not altering text)

C93 Sch. 4 para. 5 modified (29.4.1996) by [Finance Act 1996 \(c. 8\)](#), [Sch. 15 para. 19\(2\)](#)

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6 **F2694**

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2694 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 50, [Sch. 41 Pt. 5\(3\)](#)

Disposals

7

F2695

Textual Amendments

F2695 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 50, [Sch. 41 Pt. 5\(3\)](#)

8

F2696

Textual Amendments

F2696 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 50, [Sch. 41 Pt. 5\(3\)](#)

Securities issued and owned by associated companies or group companies

9

F2697

Textual Amendments

F2697 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 50, [Sch. 41 Pt. 5\(3\)](#)

Close companies

10

F2698

Textual Amendments

F2698 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 50, [Sch. 41 Pt. 5\(3\)](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Early redemption

.....
11 F2699

Textual Amendments

F2699 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by Finance Act 1996 (c. 8), Sch. 14 para. 50, **Sch. 41 Pt. 5(3)**

.....
11A F2700

Textual Amendments

F2700 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by Finance Act 1996 (c. 8), Sch. 14 para. 50, **Sch. 41 Pt. 5(3)**

Modifications etc. (not altering text)

C94 1989 s. 93 and Sch. 10 para. 5.

[^{F2701}Issue price]

Textual Amendments

F2701 Sch. 4 para. 11B and heading preceding it inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 54, Sch. 4 paras. 3, 5

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F2702 11B F2703

Textual Amendments

F2702 Sch. 4 para. 11B and heading preceding it inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 54, Sch. 12 paras. 3, 5

F2703 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by Finance Act 1996 (c. 8), Sch. 14 para. 50, **Sch. 41 Pt. 5(3)**

Identification of securities disposed of

.....
12 F2704

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2704Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 50, [Sch. 41 Pt. 5\(3\)](#)

Information

13

F2705

Textual Amendments

F2705Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 50, [Sch. 41 Pt. 5\(3\)](#)

Charities

14

F2706

Textual Amendments

F2706Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 50, [Sch. 41 Pt. 5\(3\)](#)

[^{F2707} Retirement benefit schemes]

Textual Amendments

F27071989 s.93and Sch.10 para.7.

15

F2708

Textual Amendments

F2708Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\)](#), Sch. 14 para. 50, [Sch. 41 Pt. 5\(3\)](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Stock lending

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16

F2709

Textual Amendments

F2709 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\), Sch. 14 para. 50, Sch. 41 Pt. 5\(3\)](#)

Trustees

.....
17

F2710

Textual Amendments

F2710 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\), Sch. 14 para. 50, Sch. 41 Pt. 5\(3\)](#)

Underwriters

.....
18

F2711

Textual Amendments

F2711 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\), Sch. 14 para. 50, Sch. 41 Pt. 5\(3\)](#)

Gilts: special rules

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19

F2712

Textual Amendments

F2712 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by [Finance Act 1996 \(c. 8\), Sch. 14 para. 50, Sch. 41 Pt. 5\(3\)](#)

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Non-gilts: special rules

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20

F2713

Textual Amendments

F2713 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by Finance Act 1996 (c. 8), Sch. 14 para. 50, **Sch. 41 Pt. 5(3)**

[F2714 Convertible securities: special rules]

Textual Amendments

F2714 1990 s.56 and Sch.10 paras.26(3), 29(4) on and after 9 June 1989.

.....
21

F2715

Textual Amendments

F2715 Sch. 4 repealed (29.4.1996 with effect in accordance with ss. 80-105 of the amending act) by Finance Act 1996 (c. 8), Sch. 14 para. 50, **Sch. 41 Pt. 5(3)**

F2716 F2716 [F2717 SCHEDULE
4AA]

Textual Amendments

F2716 Sch. 4AA repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 279, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F2717 Sch. 4AA inserted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), **Sch. 6 para. 109** (with Sch. 7)

F2722 F2722 [F2723 SCHEDULE 4A

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

- F2722**Sch. 4A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 342, **Sch. 3** (with Sch. 2)
- F2723**Sch. 4A inserted (11.5.2001) by [Finance Act 2001 \(c. 9\)](#), s. 71(2), **Sch. 24 para. 1**

F2724SCHEDULE 5

Textual Amendments

- F2724**Sch. 5 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by [Corporation Tax Act 2009 \(c. 4\)](#), Sch. 1 para. 280, **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

F2756**F2756****F2757**SCHEDULE 5AA]

Textual Amendments

- F2756**Sch. 5AA repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), Sch. 1 para. 344, **Sch. 3** (with Sch. 2)
- F2757**Sch. 5AA inserted (with effect in accordance with s. 80(6)(7) of the amending Act) by [Finance Act 1997 \(c. 16\)](#), s. 80(2), **Sch. 11**

F2774**F2774****F2775**SCHEDULE 5A

Textual Amendments

- F2774**Sch. 5A repealed (with effect in accordance with Sch. 10 para. 7(1) of the amending Act) by [Finance Act 1997 \(c. 16\)](#), Sch. 10 para. 1(2), **Sch. 18 Pt. 6(10)**, Note 1; S.I. 1997/991, **art. 2**
- F2775**Sch. 5A inserted (with effect in accordance with s. 85(3) of the amending Act) by [Finance Act 1995 \(c. 4\)](#), s. 85(2), **Sch. 19**

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F2776F2776 SCHEDULE 6

Textual Amendments

F2776Schs. 6, 6A, 7, 7A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 paras. 110, 111, **Sch 8 Pt. 1** (with Sch. 7)

F2789F2789 [F2790 SCHEDULE 6A]

Textual Amendments

F2789Schs. 6, 6A, 7, 7A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 paras. 110, 111, **Sch 8 Pt. 1** (with Sch. 7)

F2790Sch. 6A inserted (27.7.1993 with effect for the year 1993-94 and subsequent years of assessment) by 1993 c. 34, s. 73, Sch. 4 paras.7, 8

F2818F2818 SCHEDULE 7

Textual Amendments

F2818Schs. 6, 6A, 7, 7A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 paras. 110, 111, **Sch 8 Pt. 1** (with Sch. 7)

F2843F2843 [F2844 SCHEDULE 7A

Textual Amendments

F2843Schs. 6, 6A, 7, 7A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 paras. 110, 111, **Sch 8 Pt. 1** (with Sch. 7)

F2844Sch. 7A inserted (with effect in accordance with s. 57(2) of the amending Act) by Finance Act 2000 (c. 17), s. 57(1), **Sch. 10 para. 5(2)**

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F2845F2845 SCHEDULE 8

Textual Amendments

F2845Sch. 8 repealed (with effect in accordance with s. 61(2)(3), Sch. 18 Pt. 6(3) Notes 1-3 of the repealing Act) by [Finance Act 1997 \(c. 16\)](#), **Sch. 18 Pt. 6(3)**

SCHEDULE 9

Sections 185, 186, 187.

APPROVED SHARE OPTION SCHEMES AND PROFIT SHARING SCHEMES

Modifications etc. (not altering text)

C99 Sch. 9 excluded (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), **ss. 238(2)(c)(4)**, 289 (with ss. 60, 101(1), 171, 201(3))

C100 Sch. 9 modified (29.4.1996) by [Finance Act 1996 \(c. 8\)](#), **s. 115**

C101 Sch. 9 modified (29.4.1996) by [Finance Act 1996 \(c. 8\)](#), **s. 116(3)**

C102 Sch. 9 modified (28.7.2000) by [Finance Act 2000 \(c. 17\)](#), **s. 49(1)(2)**

C103 Sch. 9 continued for specified purposes (6.4.2003 with effect in accordance with s. 723(1) of the affecting Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), **s. 418(3)** (with Sch. 7)

[^{F2873} PART I

GENERAL

Textual Amendments

F2873Sch. 9 Pts. 1, 2, 6 repealed (except for specified purposes) (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 112\(1\)](#), **Sch 8 Pt. 1** (with Sch. 7)

- 1 (1) ^{M136}Subject to the provisions of this Schedule, on the application of a body corporate (“the grantor”) which has established a share option scheme or a profit sharing scheme, the Board shall approve the scheme if they are satisfied that it fulfils such requirements of Part II and this Part as apply in relation to the scheme in question, and the requirements of Part III, IV or V of this Schedule; and in this Schedule—
- “the relevant requirements” means, in relation to any scheme, the requirements of this Schedule by reference to which the scheme is approved; and
- “savings-related share option scheme” means a scheme in relation to which the relevant requirements include the requirements of Part III of this Schedule.
- (2) ^{M137}An application under sub-paragraph (1) above shall be made in writing and contain such particulars and be supported by such evidence as the Board may require.

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- (3) ^{M138}Where the grantor has control of another company or companies, the scheme may be expressed to extend to all or any of the companies of which it has control and in this Schedule a scheme which is expressed so to extend is referred to as a “group scheme”.
- (4) ^{M139}In relation to a group scheme the expression “participating company” means the grantor or any other company to which for the time being the scheme is expressed to extend.

Marginal Citations

M136 Source—1978 Sch.9 1(1)(a); 1980 Sch.10 1(1)(a); 1984 Sch.10 1(1)

M137 Source—1978 Sch.9 1(5); 1980 Sch.10 1(2); 1984 Sch.10 1(2)

M138 Source—1978 Sch.9 1(2); 1980 Sch.10 1(3); 1984 Sch.10 1(3)

M139 Source—1978 Sch.9 1(2); 1980 Sch.10 1(3); 1984 Sch.10 1(4)

- 2 (1) ^{M140}The Board shall not approve a scheme under this Schedule if it appears to them that it contains features which are neither essential nor reasonably incidental to the purpose of providing for employees and directors benefits in the nature of rights to acquire shares or, in the case of a profit sharing scheme, in the nature of interests in shares.
- (2) ^{M141}A profit sharing scheme shall not be approved under paragraph 1 above unless the Board are satisfied that, whether under the terms of the scheme or otherwise, every participant in the scheme is bound in contract with the grantor—
- (a) to permit his shares to remain in the hands of the trustees throughout the period of retention; and
 - (b) not to assign, charge or otherwise dispose of his beneficial interest in his shares during that period; and
 - (c) if he directs the trustees to transfer the ownership of his shares to him at any time before the release date, to pay to the trustees before the transfer takes place a sum equal to income tax at the basic rate on the appropriate percentage of the locked-in value of the shares at the time of the direction; and
 - (d) not to direct the trustees to dispose of his shares at any time before the release date in any other way except by sale for the best consideration in money that can reasonably be obtained at the time of the sale or, in the case of redeemable shares in a workers’ cooperative, by redemption.
- [The Board shall not approve a profit sharing scheme unless they are satisfied—
- ^{F2874}(2A) (a) that the arrangements for the scheme do not make any provision, and are not in any way associated with any provision made, for loans to some or all of the employees of—
- (i) the company that established the scheme, or
 - (ii) in the case of a group scheme, any participating company, and
- (b) that the operation of the scheme is not in any way associated with such loans.
- (2B) For the purposes of sub-paragraph (2A) above “arrangements” includes any scheme, agreement or understanding, whether or not legally enforceable.]

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- (3) ^{M142}The Board must be satisfied in the case of a savings-related share option scheme or a profit sharing scheme—
- (a) that there are no features of the scheme (other than any which are included to satisfy requirements of this Schedule) which have or would have the effect of discouraging any description of employees or former employees who fulfil the conditions in paragraph 26(1) or, as the case may be, 36(1) below from actually participating in the scheme; and
 - (b) where the grantor is a member of a group of companies, that the scheme does not and would not have the effect of conferring benefits wholly or mainly on directors of companies in the group or on those employees of companies in the group who are in receipt of the higher or highest levels of remuneration.
- (4) For the purposes of sub-paragraph (3) above “a group of companies” means a company and any other companies of which it has control.

Textual Amendments

F2874 Sch. 9 para. 2(2A)(2B) inserted (21.3.2000) by Finance Act 2000 (c. 17), s. 53(1)(3)

Modifications etc. (not altering text)

C104 Sch. 9 para. 2(2) excluded (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 238(1)(4), 289 (with ss. 60, 101(1), 171, 201(3))

Marginal Citations

M140 Source—1978 Sch.9 1(1)(b); 1980 Sch.10 1(1), (b); 1984 Sch.10 1(1); 1987 Sch.15 13

M141 Source—1978 s.54(1); 1986 s.24(3)(a)

M142 Source—1978 Sch.9 2(3), (4); 1980 Sch.10 1(1)(aa), (ab), (1A); 1983 s.25(5); 1984 s.39(2)

- 3 (1) If, at any time after the Board have approved a share option scheme, any of the relevant requirements ceases to be satisfied or the grantor fails to provide information requested by the Board under paragraph 6 below, the Board may withdraw the approval with effect from that time or such later time as the Board may specify; but where rights obtained under a savings-related share option scheme before the withdrawal of approval from the scheme under this paragraph are exercised after the withdrawal, section 185(3) shall apply in respect of the exercise as if the scheme were still approved.
- (2) If at any time after the Board have approved a profit sharing scheme—
- (a) a participant is in breach of any of his obligations under paragraph 2(2)(a), (c) and (d) above; or
 - (b) there is, with respect to the operation of the scheme, any contravention of any of the relevant requirements, Schedule 10, the scheme itself or the terms of the trust referred to in paragraph 30(1)(c) below; or
 - (c) any shares of a class of which shares have been appropriated to the participants receive different treatment in any respect from the other shares of that class, in particular, different treatment in respect of—
 - (i) the dividend payable;
 - (ii) repayment;
 - (iii) the restrictions attaching to the shares; or
 - (iv) any offer of substituted or additional shares, securities or rights of any description in respect of the shares; or

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- [the Board—
- ^{F2875}(ca) (i) cease to be satisfied of the matters mentioned in paragraph 2(2A) above, or
- (ii) in the case of a scheme approved before 21st March 2000, are not satisfied of those matters; or]
- (d) the Board cease to be satisfied that the scheme complies with the requirements of paragraph 2(3) above or paragraph 36 below; or
- (e) the trustees, the grantor or, in the case of a group scheme, a company which is or has been a participating company fail or fails to furnish any information which they are or it is required to furnish under paragraph 6 below [^{F2876}; or,
- (f) the trustees appropriate shares to participants, one or more of whom have had free shares appropriated to them, at an earlier time in the same year of assessment, under a relevant share plan],
- the Board may, subject to sub-paragraph (3) below, withdraw the approval with effect from that time or from such later time as the Board may specify.
- (3) ^{M143}It shall not be a ground for withdrawal of approval of a profit sharing scheme that shares which have been newly issued receive, in respect of dividends payable with respect to a period beginning before the date on which the shares were issued, treatment which is less favourable than that accorded to shares issued before that date.
- [For the purposes of sub-paragraph (2)(f) above the reference to persons having had
- ^{F2877}(4) free shares appropriated to them includes persons who would have had free shares appropriated to them but for their failure to obtain a performance allowance (within the meaning of paragraph 25 of Schedule 8 to the Finance Act 2000).
- (5) In sub-paragraph (2)(f) and (4) above—
- “free shares” has the same meaning as in Schedule 8 to the Finance Act 2000;
- “relevant share plan”, in relation to a profit sharing scheme, means an employee share ownership plan that—
- (a) was established by the grantor or a connected company, and
- (b) is approved under Schedule 8 to that Act.
- (6) For the purposes of sub-paragraph (5) above “connected company” means—
- (a) a company which controls or is controlled by the grantor or which is controlled by a company which also controls the grantor, or
- (b) a company which is a member of a consortium owning the grantor or which is owned in part by the grantor as a member of a consortium.]

Textual Amendments

F2875Sch. 9 para. 3(2)(ca) inserted (21.3.2000) by [Finance Act 2000 \(c. 17\), s. 53\(2\)\(3\)](#)

F2876Sch. 9 para. 3(2)(f) and preceding word inserted (28.7.2000) by [Finance Act 2000 \(c. 17\), s. 51\(1\)](#)

F2877Sch. 9 para. 3(4)-(6) inserted (28.7.2000) by [Finance Act 2000 \(c. 17\), s. 51\(2\)](#)

Marginal Citations

M143 Source—1978 Sch.9 3(3)

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- 4 ^{M144}If an alteration is made in the scheme at any time after the Board have approved the scheme, the approval shall not have effect after the date of the alteration unless the Board have approved the alteration.

Modifications etc. (not altering text)

C105 Sch. 9 para. 4 modified (with effect in accordance with Sch. 16 para. 1 of the modifying Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 16 para. 4](#)

Marginal Citations

M144 Source—1978 Sch.9 3(2); 1980 Sch.10 3(2); 1984 Sch.10 2(2)

- 5 ^{M145}If aggrieved—
- (a) in any case, by the failure of the Board to approve the scheme or to approve an alteration in the scheme or by the withdrawal of approval; or
 - (b) in the case of a savings-related share option scheme, by the failure of the Board to decide that a condition subject to which the approval has been given is satisfied; or
 - (c) in the case of a profit sharing scheme, by the failure of the Board to approve an alteration in the terms of the trust referred to in paragraph 30(1)(c) below;

the grantor may, by notice given to the Board within 30 days from the date on which it is notified of the Board's decision, require the matter to be determined by the Special Commissioners, and the Special Commissioners shall hear and determine the matter in like manner as an appeal.

Modifications etc. (not altering text)

C106 Sch. 9 para. 5 modified (1.4.2009) by [The Transfer of Tribunal Functions and Revenue and Customs Appeals Order 2009 \(S.I. 2009/56\)](#), art. 1(2), [Sch. 1 para. 158](#)

Marginal Citations

M145 Source—1978 Sch.9 4; 1980 Sch.10 4; 1984 Sch.10 3

- 6 ^{M146}The Board may by notice require any person to furnish them, within such time as the Board may direct (not being less than 30 days), with such information as the Board think necessary for the performance of their functions under the relevant provisions and as the person to whom the notice is addressed has or can reasonably obtain, including in particular information—
- (a) to enable the Board to determine—
 - (i) whether to approve a scheme or withdraw an approval already given; or
 - (ii) the liability to tax, including capital gains tax, of any person who has participated in a scheme; and
 - (b) in relation to the administration of a scheme and any alteration of the terms of a scheme.]

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Marginal Citations

M146 Source—1978 s.53(7); 1980 Sch.10 25; 1984 Sch.10 14

[^{F2878}PART II

REQUIREMENTS GENERALLY APPLICABLE

Textual Amendments

F2878Sch. 9 Pts. 1, 2, 6 repealed (except for specified purposes) (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 112(1), [Sch 8 Pt. 1](#) (with Sch. 7)

- 7 The provisions of this Part apply in relation to all schemes unless otherwise stated.
- 8 ^{M147}The scheme must not provide for any person to be eligible to participate in it, that is to say, to obtain and exercise rights under it, or in the case of a profit sharing scheme to have shares appropriated to him, at any time when he has, or has within the preceding 12 months had, a material interest in a close company which is—
- (a) a company shares in which, in the case of a profit sharing scheme, are to be appropriated or, in the case of a share option scheme, may be acquired pursuant to the exercise of rights obtained under the scheme; or
 - (b) a company which has control of such a company or is a member of a consortium which owns such a company.

In determining whether a company is a close company for the purposes of this paragraph, sections 414(1)(a) and 415 shall be disregarded.

Marginal Citations

M147 Source—1978 Sch.9 11(1), (2); 1980 Sch.10 23; 1984 Sch.10 4(1)(b), (3)

- ^{F2879}8A(1) In the case of a savings-related share option scheme or a profit sharing scheme, the scheme must specify what age is to be the specified age for the purposes of the scheme.
- (2) The age specified—
- (a) must be the same for men and women, and
 - (b) must be not less than 60 and not more than 75.]

Textual Amendments

F2879Sch. 9 Pt. II para. 8A inserted by [Finance Act 1991 \(c. 31, SIF 63:1\)](#), s. 38(5)(6)

- 9 (1) ^{M148}A share option scheme must provide for directors and employees to obtain rights to acquire shares (“scheme shares”) which satisfy the requirements of paragraphs 10 to 14 below [^{F2880}(disregarding paragraph 11A)].

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (2) In the case of a profit sharing scheme, the shares to be acquired by the trustees as mentioned in paragraph 30 below (“scheme shares”) must satisfy the requirements of paragraphs 10 to 12 and 14 below.

Textual Amendments

F2880 Words in [Sch. 9 para. 9\(1\)](#) inserted (21.3.2000) by [Finance Act 2000 \(c. 17\)](#), s. [52\(2\)\(5\)](#)

Marginal Citations

M148 Source—1978 Sch.9 1(1), (3); 1980 Sch.10 5(a); 1984 Sch.10

- 10 ^{M149} Scheme shares must form part of the ordinary share capital of—
- (a) the grantor; or
 - (b) a company which has control of the grantor; or
 - (c) a company which either is, or has control of, a company which—
 - (i) is a member of a consortium owning either the grantor or a company having control of the grantor; ^{F2881} . . .
 - ^{F2881} (ii)

Textual Amendments

F2881 [Sch. 9 para. 10\(c\)\(ii\)](#) and preceding word repealed by [Finance Act 1989 \(c. 26\)](#), s. 64, [Sch. 17 Pt. 4](#)

Marginal Citations

M149 Source—1978 Sch.9 5; 1980 Sch.10 15; 1984 Sch.10 7

- 11 ^{M150} Scheme shares must be—
- (a) shares of a class [^{F2882}listed] on a recognised stock exchange; or
 - (b) shares in a company which is not under the control of another company; or
 - (c) shares in a company which is under the control of a company (other than a company which is, or would if resident in the United Kingdom be, a close company), whose shares are [^{F2882}listed] on a recognised stock exchange.

Textual Amendments

F2882 Words in [Sch. 9 para. 11\(a\)\(c\)](#) substituted (with effect in accordance with [Sch. 38 para. 6\(10\)](#) of the amending Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 38 para. 6\(1\)\(2\)\(j\)](#)

Marginal Citations

M150 Source—1978 Sch.9 6; 1980, s.46(10), Sch.10 16; 1984 Sch.10 8

- [^{F2883} 1(A)] In the case of a profit sharing scheme, scheme shares must not be shares—
- (a) in an employer company, or
 - (b) in a company that—
 - (i) has control of an employer company, and
 - (ii) is under the control of a person or persons within sub-paragraph (2)(b)(i) below in relation to an employer company.

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (2) For the purposes of this paragraph a company is “an employer company” if—
- (a) the business carried on by it consists substantially in the provision of the services of the persons employed by it, and
 - (b) the majority of those services are provided to—
 - (i) a person who has, or two or more persons who together have, control of the company, or
 - (ii) a company associated with the company.
- (3) For the purposes of sub-paragraph (2)(b)(ii) above a company shall be treated as associated with another company if both companies are under the control of the same person or persons.
- (4) For the purposes of sub-paragraphs (1) to (3) above—
- (a) references to a person include a partnership, and
 - (b) where a partner, alone or together with others, has control of a company, the partnership shall be treated as having like control of that company.
- (5) For the purposes of this paragraph the question whether a person controls a company shall be determined in accordance with section 416(2) to (6).]

Textual Amendments

F2883Sch. 9 para. 11A inserted (21.3.2000) by [Finance Act 2000 \(c. 17\)](#), s. 52(3)(5) (with s. 52(6))

- 12 (1) ^{M151}Scheme shares must be—
- (a) fully paid up;
 - (b) not redeemable; and
 - (c) not subject to any restrictions [^{F2884}other than those permitted by sub-paragraph (1A) below.]
- Sub-paragraph (b) above does not apply, in the case of a profit sharing scheme, in relation to shares in a workers’ cooperative.
- [^{F2885}(1A) Subject to sub-paragraph (1B) below, scheme shares may be subject to—
- (a) restrictions which attach to all shares of the same class, or
 - (b) a restriction authorised by sub-paragraph (2) below.
- (1B) In the case of a profit sharing scheme, scheme shares must not be subject to any restrictions affecting the rights attaching to those shares which relate to—
- (a) dividends, or
 - (b) assets on a winding-up of the company,
- other than restrictions which attach to all other ordinary shares in the same company.]
- (2) Except as provided below, the shares may be subject to a restriction imposed by the company’s articles of association—
- (a) requiring all shares held by directors or employees of the company or of any other company of which it has control to be disposed of on ceasing to be so held; and
 - (b) requiring all shares acquired, in pursuance of rights or interests obtained by such directors or employees, by persons who are not (or have ceased to be) such directors or employees to be disposed of when they are acquired.

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- (3) A restriction is not authorised by sub-paragraph (2) above unless—
- (a) any disposal required by the restriction will be by way of sale for a consideration in money on terms specified in the articles of association; and
 - (b) the articles also contain general provisions by virtue of which any person disposing of shares of the same class (whether or not held or acquired as mentioned in sub-paragraph (2) above) may be required to sell them on terms which are the same as those mentioned in paragraph (a) above.
- (4) In the case of a profit sharing scheme, except in relation to redeemable shares in a workers' cooperative, nothing in sub-paragraph (2) above authorises a restriction which would require a person, before the release date, to dispose of his beneficial interest in shares the ownership of which has not been transferred to him.

Textual Amendments

F2884 Words in Sch. 9 para. 12(1)(c) substituted (21.3.2000) by Finance Act 2000 (c. 17), s. 52(4)(a)(5) (with s. 52(6))

F2885 Sch. 9 para. 12(1A)(1B) inserted (21.3.2000) by Finance Act 2000 (c. 17), s. 52(4)(b)(5) (with s. 52(6))

Marginal Citations

M151 Source—1978 Sch.9 7; 1980 Sch.10 17; 1984 Sch.10 9; 1986 s.22, 24(2)

- 13 (1) ^{M152}In determining, in the case of a share option scheme, for the purposes of paragraph 12(1)(c) above whether scheme shares which are or are to be acquired by any person are subject to any restrictions, there shall be regarded as a restriction attaching to the shares any contract, agreement, arrangement or condition by which his freedom to dispose of the shares or of any interest in them or of the proceeds of their sale or to exercise any right conferred by them is restricted or by which such a disposal or exercise may result in any disadvantage to him or to a person connected with him.
- (2) Sub-paragraph (1) does not apply to so much of any contract, agreement, arrangement or condition as contains provisions similar in purpose and effect to any of the provisions of the Model Rules set out in the Model Code for Securities Transactions by Directors of Listed Companies issued by the Stock Exchange in November 1984.
- [^{F2886}(3) In the case of schemes other than savings-related share option schemes, sub-paragraph (1) above does not apply in relation to any terms of a loan making provision about how it is to be repaid or the security to be given for it.]

Textual Amendments

F2886 Sch. 9 para. 13(3) added (retrospectively) by Finance Act 1988 (c. 39), s. 69(1)

Marginal Citations

M152 Source—1980 Sch.10 18; 1982 s.41; 1984 Sch.10 10; 1986 s.23(4)

- 14 (1) ^{M153}Except where scheme shares are shares in a company the ordinary share capital of which consists of shares of one class only, the majority of the issued shares of the same class either must be employee-control shares or must be held by persons other than—

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- (a) persons who acquired their shares in pursuance of a right conferred on them or an opportunity afforded to them as a director or employee of the grantor or any other company and not in pursuance of an offer to the public;
 - (b) trustees holding shares on behalf of persons who acquired their beneficial interests in the shares as mentioned in sub-paragraph (a) above; and
 - (c) in a case where the shares fall within sub-paragraph (c), but not within sub-paragraph (a), of paragraph 11 above, companies which have control of the company whose shares are in question or of which that company is an associated company.
- (2) In its application to a profit sharing scheme, sub-paragraph (1) above shall have effect with the addition after the words “ordinary share capital of which” of the words “ at the time of the acquisition of the shares by the trustees ”.
- (3) For the purposes of this paragraph, shares in a company are employee-control shares if—
- (a) the persons holding the shares are, by virtue of their holding, together able to control the company; and
 - (b) those persons are or have been employees or directors of the company or of another company which is under the control of the company.

Marginal Citations

M153 Source—1978 Sch.9 8; 1980 s.46(11), Sch.10 19; 1984 Sch.10 11; 1986 s.23(3)

- 15 (1) ^{M154}Except in the case of a profit sharing scheme, the scheme may provide that if any company (“the acquiring company”)—
- (a) obtains control of a company whose shares are scheme shares as a result of making a general offer—
 - (i) to acquire the whole of the issued ordinary share capital of the company which is made on a condition such that if it is satisfied the person making the offer will have control of the company; or
 - (ii) to acquire all the shares in the company which are of the same class as the scheme shares;
 - (b) obtains control of a company whose shares are scheme shares in pursuance of a compromise or arrangement sanctioned by the court under section 425 of the ^{M155}Companies Act 1985 or Article 418 of the ^{M156}Companies (Northern Ireland) Order 1986; or
 - (c) becomes bound or entitled to acquire shares in a company whose shares are scheme shares under sections 428 to 430 of that Act or Articles 421 to 423 of that Order,
- any participant in the scheme may at any time within the appropriate period, by agreement with the acquiring company, release his rights under the scheme (in this paragraph referred to as “the old rights”) in consideration of the grant to him of rights (in this paragraph referred to as “the new rights”) which are equivalent to the old rights but relate to shares in a different company (whether the acquiring company itself or some other company falling within paragraph 10(b) or (c) above).
- (2) In sub-paragraph (1) above “the appropriate period” means—

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

- (a) in a case falling within paragraph (a), the period of six months beginning with the time when the person making the offer has obtained control of the company and any condition subject to which the offer is made is satisfied;
 - (b) in a case falling within paragraph (b), the period of six months beginning with the time when the court sanctions the compromise or arrangement; and
 - (c) in a case falling within paragraph (c), the period during which the acquiring company remains bound or entitled as mentioned in that paragraph.
- (3) The new rights shall not be regarded for the purposes of this paragraph as equivalent to the old rights unless—
 - (a) the shares to which they relate satisfy the conditions specified, in relation to scheme shares, in paragraphs 10 to 14 above; and
 - (b) the new rights will be exercisable in the same manner as the old rights and subject to the provisions of the scheme as it had effect immediately before the release of the old rights; and
 - (c) the total market value, immediately before the release, of the shares which were subject to the participant's old rights is equal to the total market value, immediately after the grant, of the shares in respect of which the new rights are granted to the participant; and
 - (d) the total amount payable by the participant for the acquisition of shares in pursuance of the new rights is equal to the total amount that would have been payable for the acquisition of shares in pursuance of the old rights.
- (4) Where any new rights are granted pursuant to a provision included in a scheme by virtue of this paragraph they shall be regarded—
 - (a) for the purposes of section 185 and this Schedule; and
 - (b) for the purposes of the subsequent application (by virtue of a condition complying with sub-paragraph (3)(b) above) of the provisions of the scheme, as having been granted at the time when the corresponding old rights were granted.
- (5) ^{M157}Where a scheme which was approved before 1st August 1987 is altered before 1st August 1989 so as to include such a provision as is mentioned above (“an exchange provision”), the scheme as altered may by virtue of this and the following sub-paragraphs apply that provision to rights obtained under the scheme before the date on which the alteration takes effect.
- (6) If an exchange provision is applied as mentioned in sub-paragraph (5) above in a case where, on or after 17th March 1987 but before the date on which the alteration takes effect, an event has occurred by reason of which a person holding rights under the scheme would be able to take advantage of the exchange provision—
 - (a) the scheme may permit a person who held rights under the scheme immediately before that event to take advantage of the exchange provision; and
 - (b) in a case where rights then held would otherwise, by reason of the event, have ceased to be exercisable, the scheme may provide that the exchange provision shall apply as if the rights were still exercisable.
- (7) The application of an exchange provision as mentioned in sub-paragraph (5) or (6) above shall not itself be regarded for the purposes of this Schedule as the acquisition of a right.
- (8) Sub-paragraphs (5) and (6) above have effect subject to paragraph 4 above.

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Marginal Citations

M154 Source—1980 Sch.10, 10A; 1984 Sch.10 4A; 1987 Sch.4 1, 2; 1987 (No.2) s.59

M155 1985 c. 6.

M156 S.I. 1986/1032 (N.I. 6).

M157 Source—1987 Sch.4 3

F2887F2887 **PART III**

REQUIREMENTS APPLICABLE TO SAVINGS-RELATED SHARE OPTION SCHEMES

Textual Amendments

F2887Sch. 9 Pts. 3, 4 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 112(2), **Sch 8 Pt. 1** (with Sch. 7)

-
- 16 (1) The scheme must provide for the scheme shares to be paid for with moneys not exceeding the amount of repayments made and any interest paid to them under a certified contractual savings scheme which has been approved by the Board for the purposes of this Schedule.
- (2) Where the Board are satisfied that—
- (a) a person has entered into a certified contractual savings scheme before 15th November 1980, and
 - (b) he has obtained rights under a scheme established before that date to acquire shares in a company of which he is an employee or director (or a company of which such a company has control) using repayments made under the certified contractual savings scheme;
- then, repayments and interest paid under the certified contractual savings scheme shall be treated as repayments and interest paid, under a scheme approved by the Board for the purposes of this Schedule under sub-paragraph (1) above, and, accordingly, may be used for the purchase of shares under a savings-related share option scheme approved under this Schedule.
- (3) The repayments and interest to which sub-paragraph (2) above applies shall not exceed the repayments and interest to which the participant would have been entitled if the terms of the scheme had corresponded to those of a certified contractual savings scheme approved by the Board under sub-paragraph (1) above.
-
- 17 Subject to paragraphs 18 to 21 below, the rights obtained under the scheme must not be capable of being exercised before the bonus date, that is to say, the date on which repayments under the certified contractual savings scheme are due; and for the purposes of this paragraph and paragraph 16 above—
- (a) repayments under a certified contractual savings scheme may be taken as including or as not including a bonus;

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- (b) the time when repayments are due shall be, where repayments are taken as including the maximum bonus, the earliest date on which the maximum bonus is payable and, in any other case, the earliest date on which a bonus is payable under the scheme; and
- (c) the question what is to be taken as so included must be required to be determined at the time when rights under the scheme are obtained.

.....

18 The scheme must provide that if a person who has obtained rights under the scheme dies before the bonus date the rights must be exercised, if at all, within 12 months after the date of his death and if he dies within six months after the bonus date the rights may be exercised within 12 months after the bonus date.

.....

19 The scheme must provide that if a person who has obtained rights under it ceases to hold the office or employment by virtue of which he is eligible to participate in the scheme by reason of—

- (a) injury or disability or redundancy within the meaning of the Employment Rights Act 1996; or
- (b) retirement on reaching the specified age or any other age at which he is bound to retire in accordance with the terms of his contract of employment,

then the rights must be exercised, if at all, within six months of his so ceasing and, if he so ceases for any other reason within three years of obtaining the rights, they may not be exercised at all except pursuant to such a provision of the scheme as is mentioned in paragraph 21(1)(e) below; and in relation to the case where he so ceases for any other reason more than three years after obtaining the rights the scheme must either provide that the rights may not be exercised or that they must be exercised, if at all, within six months of his so ceasing.

.....

20 The scheme must provide that where a person who has obtained rights under it continues to hold the office or employment by virtue of which he is eligible to participate in the scheme after the date on which he reaches the specified age, he may exercise the rights within six months of that date.

.....

21 (1) The scheme may provide that—

- (a) if any person obtains control of a company whose shares are scheme shares as a result of making a general offer falling within paragraph 15(a)(i) or (ii) above, rights obtained under the scheme to acquire shares in the company may be exercised within six months of the time when the person making the offer has obtained control of the company and any condition subject to which the offer is made has been satisfied;
- (b) if under section 425 of the Companies Act 1985 or Article 418 of the Companies (Northern Ireland) Order 1986 (power to compromise with creditors and members) the court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of a company whose shares are scheme shares or its

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- amalgamation with any other company or companies, rights obtained under the share option scheme to acquire shares in the company may be exercised within six months of the court sanctioning the compromise or arrangement;
- (c) if any person becomes bound or entitled, under sections 428 to 430 of that Act of 1985 or Articles 421 to 423 of that Order of 1986 (power to acquire shares of shareholders dissenting from schemes or contract approved by majority), to acquire shares in a company shares in which are scheme shares, rights obtained under the scheme to acquire shares in the company may be exercised at any time when that person remains so bound or entitled;
- (d) if a company whose shares are scheme shares passes a resolution for voluntary winding up, rights obtained under a scheme to acquire shares in the company may be exercised within six months of the passing of the resolution; . . .
- (e) if a person ceases to hold an office or employment by virtue of which he is eligible to participate in the scheme by reason only that—
- (i) that office or employment is in a company of which the grantor ceases to have control; or
 - (ii) that office or employment relates to a business or part of a business which is transferred to a person who is neither an associated company of the grantor nor a company of which the grantor has control;
- rights under the scheme held by that person may be exercised within six months of his so ceasing; and
- (f) if, at the bonus date, a person who has obtained rights under the scheme holds an office or employment in a company which is not a participating company but which is—
- (i) an associated company of the grantor, or
 - (ii) a company of which the grantor has control,
- those rights may be exercised within six months of that date.
- (2) For the purposes of this paragraph a person shall be deemed to have obtained control of a company if he and others acting in concert with him have together obtained control of it.
- (3) Where a scheme which has been approved before 1st August 1986 has been or is altered before 1st August 1988 so as to include such a provision as is specified in sub-paragraph (1)(e) above, the scheme as altered may by virtue of this sub-paragraph apply that provision to rights obtained under the scheme before the date on which the alteration takes effect, and where that provision is so applied in relation to such rights—
- (a) the scheme may permit a person having such rights to take advantage of the provision notwithstanding that under the scheme he would otherwise be unable to exercise those rights after he has ceased to hold the office or employment in question; and
 - (b) if, before the date on which the alteration takes effect, a person who held such rights on 18th March 1986 ceases, in either of the circumstances set out in sub-paragraph (1)(e) above, to hold an office or employment by virtue of which he was eligible to participate in the scheme, then, so far as concerns the rights so held, the scheme may permit him to take advantage of the provision in question as if the alteration had been made immediately before he ceased to hold that office or employment; and

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- (c) the application of the provision shall not itself be regarded as the acquisition of a right for the purposes of this Schedule.

This sub-paragraph has effect subject to paragraph 4 above.

- (4) Where a scheme approved before the date of the passing of the Finance Act 1996 is altered before 5th May 1998 so as to include such a provision as is specified in sub-paragraph (1)(f) above, the scheme may apply the provision to rights obtained under the scheme before the alteration takes effect, whether the bonus date in relation to the rights occurred before or after the passing of that Act; and where the provision is applied to such rights by virtue of this sub-paragraph, its application to such rights shall not itself be regarded as the acquisition of a right for the purposes of this Schedule.

This sub-paragraph has effect subject to paragraph 4 above.

.....

- 22 Except as provided in paragraph 18 above, rights obtained by a person under the scheme must not be capable—
 - (a) of being transferred by him, or
 - (b) of being exercised later than six months after the bonus date.

.....

- 23 No person shall be treated for the purposes of paragraph 19 or 21(1)(e) above as ceasing to hold an office or employment by virtue of which he is eligible to participate in the scheme until he ceases to hold an office or employment in the grantor or in any associated company or company of which the grantor has control.

.....

- 24 (1) The scheme must provide for a person's contributions under the certified contractual savings scheme to be of such amount as to secure as nearly as may be repayment of an amount equal to that for which shares may be acquired in pursuance of rights obtained under the scheme; and for this purpose the amount of repayment under the certified contractual savings scheme shall be determined as mentioned in paragraph 17 above.
- (2) The scheme must not—
 - (a) permit the aggregate amount of a person's contributions under certified contractual savings schemes linked to savings-related share option schemes approved under this Schedule to exceed £250 monthly, nor
 - (b) impose a minimum on the amount of a person's contributions which exceeds £10 monthly.
- (3) The Treasury may by order amend sub-paragraph (2) above by substituting for any amount for the time being specified in that sub-paragraph such amount as may be specified in the order.

.....

- 25 The price at which scheme shares may be acquired by the exercise of a right obtained under the scheme—

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- (a) must be stated at the time the right is obtained, and
- (b) must not be manifestly less than 80% of the market value of shares of the same class at that time or, if the Board and the grantor agree in writing, at such earlier time or times as may be provided in the agreement,

but the scheme may provide for such variation of the price as may be necessary to take account of any variation in the share capital of which the scheme shares form part.

.....

- 26 (1) Subject to paragraph 8 above, every person who—
- (a) is an employee or a full-time director of the grantor or, in the case of a group scheme, a participating company, and
 - (b) has been such an employee or director at all times during a qualifying period not exceeding five years, and
 - (c) is chargeable to tax in respect of his office or employment under Case I of Schedule E,

must be eligible to participate in the scheme, that is to say, to obtain and exercise rights under it, on similar terms, and those who do participate in the scheme must actually do so on similar terms.

- (2) For the purposes of sub-paragraph (1) above, the fact that the rights to be obtained by the persons participating in a scheme vary according to the levels of their remuneration, the length of their service or similar factors shall not be regarded as meaning that they are not eligible to participate in the scheme on similar terms or do not actually do so.
- (3) Except as provided by paragraph 19 above or pursuant to such a provision as is referred to in paragraph 21(1)(e) or (f) above, a person must not be eligible to participate in the scheme at any time unless he is at that time a director or employee of the grantor or, in the case of a group scheme, of a participating company.

F2898F2898 **PART IV**

REQUIREMENTS APPLICABLE TO OTHER SHARE OPTION SCHEMES

Textual Amendments

F2898Sch. 9 Pts. 3, 4 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1)**, Sch. 6 para. 112(2), **Sch 8 Pt. 1** (with Sch. 7)

.....

- 27 (1) A person must not be eligible to obtain rights under the scheme at any time unless he is at that time a full-time director or qualifying employee of the grantor or, in the case of a group scheme, of a participating company, but the scheme may provide that a person may exercise rights under it after he has ceased to be a full-time director or qualifying employee.

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- (2) The scheme must not permit any person obtaining rights under it to transfer any of them but may provide that, if a person who has obtained rights under it dies before exercising them, they may be exercised after, but not more than one year after, the date of his death.
- (3) Where the scheme contains the provision permitted by sub-paragraph (2) above and any rights are exercised—
 - (a) after the death of the person who obtained them; but
 - (b) before the expiry of the period of ten years beginning with his obtaining them;subsection (3) of section 185 shall apply with the omission of the reference to subsection (5) of that section.
- (4) In sub-paragraph (1) above “qualifying employee”, in relation to a company, means an employee of the company (other than one who is a director of the company or, in the case of a group scheme, of a participating company)

.....

- 28
- (1) The scheme must provide that no person shall obtain rights under it which would, at the time they are obtained, cause the aggregate market value of the shares which he may acquire in pursuance of rights obtained under the scheme or under any other share option scheme, not being a savings-related share option scheme, approved under this Schedule and established by the grantor or by any associated company of the grantor (and not exercised) to exceed or further exceed £30,000.
 - (2)
 - (3) For the purposes of sub-paragraph (1) above, the market value of shares shall be calculated as at the time when the rights in relation to those shares were obtained or, in a case where an agreement relating to them has been made under paragraph 29 below, such earlier time or times as may be provided in the agreement.
 - (4)

.....

- ^{F2902}29
- (1) The price at which scheme shares may be acquired by the exercise of a right obtained under the scheme—
 - (a) must be stated at the time the right is obtained, and
 - (b) must not be manifestly less than the market value of shares of the same class at that time or, if the Board and the grantor agree in writing, at such earlier time or times as may be provided in the agreement.
 - (7) The scheme may provide for such variation of the price at which scheme shares may be acquired as may be necessary to take account of any variation in the share capital of which the scheme shares form part.
 - (8) ^{F2904}

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PART V

REQUIREMENTS APPLICABLE TO PROFIT SHARING SCHEMES

- 30 (1) ^{M178}The scheme must provide for the establishment of a body of persons resident in the United Kingdom (“the trustees”)—
- (a) who, out of moneys paid to them by the grantor or, in the case of a group scheme, a participating company, are required by the scheme to acquire shares in respect of which the conditions in paragraphs 10 to 12 and 14 above are fulfilled; and
 - (b) who are under a duty to appropriate shares acquired by them to individuals who participate in the scheme, not being individuals who are ineligible by virtue of paragraph 8 or 35 of this Schedule; and
 - (c) whose functions with respect to shares held by them are regulated by a trust which is constituted under the law of a part of the United Kingdom and the terms of which are embodied in an instrument which complies with the provisions of paragraphs 31 to 34 below.
- (2) ^{M179}If at any time after the Board have approved the scheme, an alteration is made in the terms of the trust referred to in sub-paragraph (1)(c) above, the approval shall not have effect after the date of the alteration unless the Board have approved the alteration.
- (3) ^{M180}The scheme must provide that the total of the initial market values of the shares appropriated to any one participant in a year of assessment will not exceed the relevant amount.
- (4) ^{M181}In this Part of this Schedule “initial market value”, in relation to a participant’s shares, means the market value of those shares determined—
- (a) except where paragraph (b) below applies, on the date on which the shares were appropriated to him; and
 - (b) if the Board and the trustees agree in writing, on or by reference to such earlier date or dates as may be provided for in the agreement.

Marginal Citations

M178 Source—1978 Sch.9 1(3)
M179 Source—1978 Sch.9 3(2)
M180 Source—1978 Sch.9 1 (4); 1983 s.25(1)
M181 Source—1978 s.53(4)

- 31 ^{M182}The trust instrument shall provide that, as soon as practicable after any shares have been appropriated to a participant, the trustees will give him notice of the appropriation—
- (a) specifying the number and description of those shares; and
 - (b) stating their initial market value.

Marginal Citations

M182 Source—1978 Sch.9 12

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- 32 (1) ^{M183}The trust instrument must contain a provision prohibiting the trustees from disposing of any shares, except as mentioned in paragraph 1(1)(a), (b) [^{F2905}, (c) or (cc)] of Schedule 10, during the period of retention (whether by transfer to the participant or otherwise).
- (2) The trust instrument must contain a provision prohibiting the trustees from disposing of any shares after the end of the period of retention and before the release date except—
- (a) pursuant to a direction given by or on behalf of the participant or any person in whom the beneficial interest in his shares is for the time being vested; and
 - (b) by a transaction which would not involve a breach of the participant's obligations under paragraph 2(2)(c) or (d) above.

Textual Amendments

F2905 Words in Sch. 9 para. 32(1) substituted (with effect in accordance with s. 101(9)(10) of the amending Act) by Finance Act 1994 (c. 9), s. 101(5)

Marginal Citations

M183 Source—1978 Sch.9 13; 1980 s.46(13)

- 33 ^{M184}The trust instrument must contain a provision requiring the trustees—
- (a) subject to their obligations under paragraph 7 of Schedule 10 and to any such direction as is mentioned in paragraph 4(2) of that Schedule to pay over to the participant any money or money's worth received by them in respect of or by reference to any of his shares other than money's worth consisting of new shares within the meaning of paragraph 5 of that Schedule; and
 - (b) to deal only pursuant to a direction given by or on behalf of the participant or any person in whom the beneficial interest in his shares is for the time being vested with any right conferred in respect of any of his shares to be allotted other shares, securities or rights of any description.

Modifications etc. (not altering text)

C108 Sch. 9 para. 33(a) modified (with effect in accordance with s. 101(11)(12) of the affecting Act) by Finance Act 1994 (c. 9), s. 101(6) (with s. 101(14))

Marginal Citations

M184 Source—1978 Sch.9 14

- 34 ^{M185}The trust instrument must impose an obligation on the trustees—
- (a) to maintain such records as may be necessary to enable the trustees to carry out their obligations under paragraph 7 of Schedule 10; and
 - (b) where the participant becomes liable to income tax under Schedule E by reason of the occurrence of any event, to inform him of any facts relevant to determining that liability.

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Marginal Citations

M185 Source—1978 Sch.9 15

- 35 (1) ^{M186} An individual shall not be eligible to have shares appropriated to him under the scheme at any time unless he is at that time or was within the preceding 18 months a director or employee of the grantor or, in the case of a group scheme, of a participating company.
- (2) ^{M187} An individual shall not be eligible to have shares appropriated to him under the scheme at any time if in that year of assessment shares have been appropriated to him under another approved scheme established by the grantor or by—
- (a) a company which controls or is controlled by the grantor or which is controlled by a company which also controls the grantor, or
 - (b) a company which is a member of a consortium owning the grantor or which is owned in part by the grantor as a member of a consortium.

Marginal Citations

M186 Source—1978 Sch.9 9

M187 Source—1978 Sch.9 10

- 36 (1) ^{M188} Subject to paragraphs 8 and 35 above, every person who at any time—
- (a) is [^{F2906}an employee] or a full-time director of the grantor or, in the case of a group scheme, a participating company, and
 - (b) has been such an employee or director at all times during a qualifying period, not exceeding five years, ending at that time, and
 - (c) is chargeable to tax in respect of his office or employment under Case I of Schedule E,
- must then be eligible (subject to paragraphs 8 and 35 of this Schedule) to participate in the scheme on similar terms and those who do participate must actually do so on similar terms.
- (2) For the purposes of sub-paragraph (1) above, the fact that the number of shares to be appropriated to the participants in a scheme varies by reference to the levels of their remuneration, the length of their service or similar factors shall not be regarded as meaning that they are not eligible to participate in the scheme on similar terms or do not actually do so.

Textual Amendments

F2906 Words in [Sch. 9 para. 36\(1\)\(a\)](#) substituted (with application in accordance with [s. 137\(7\)](#) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 137\(4\)](#)

Marginal Citations

M188 Source—1978 Sch.9 2; 1983 s.25(4)

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[^{F2907} PART VI

MATERIAL INTEREST TEST

Textual Amendments

F2907Sch. 9 Pts. 1, 2, 6 repealed (except for specified purposes) (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 112(1), [Sch 8 Pt. 1](#) (with Sch. 7)

Interests under trusts

- 37 (1) This ^{M189} paragraph applies in a case where—
- (a) the individual (“the beneficiary”) was one of the objects of a discretionary trust; and
 - (b) the property subject to the trust at any time consisted of or included any shares or obligations of the company.
- (2) If neither the beneficiary nor any relevant associate of his had received any benefit under the discretionary trust before 14th November 1986, then, as respects any time before that date, the trustees of the settlement concerned shall not be regarded, by reason only of the matters referred to in sub-paragraph (1) above, as having been associates (as defined in section 417(3) and (4)) of the beneficiary.
- (3) If, on or after 14th November 1986—
- (a) the beneficiary ceases to be eligible to benefit under the discretionary trust by reason of—
 - (i) an irrevocable disclaimer or release executed by him under seal; or
 - (ii) the irrevocable exercise by the trustees of a power to exclude him from the objects of the trust; and
 - (b) immediately after he so ceases, no relevant associate of his is interested in the shares or obligations of the company which are subject to the trust; and
 - (c) during the period of 12 months ending with the date when the beneficiary so ceases, neither the beneficiary nor any relevant associate of his received any benefit under the trust,
- the beneficiary shall not be regarded, by reason only of the matters referred to in sub-paragraph (1) above, as having been interested in the shares or obligations of the company as mentioned in section 417(3)(c) at any time during the period of 12 months referred to in paragraph (c) above.
- (4) In sub-paragraphs (2) and (3) above “relevant associate” has the meaning given to “associate” by subsection (3) of section 417 but with the omission of paragraph (c) of that subsection.
- (5) Sub-paragraph (3)(a)(i) above, in its application to Scotland, shall be construed as if the words “under seal” were omitted.

Marginal Citations

M189 Source—1987 Sch.4 6-8

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Options etc.

- 38 (1) For the purposes of section 187(3)(a) a right to acquire shares (however arising) shall be taken to be a right to control them.
- (2) Any reference in sub-paragraph (3) below to the shares attributed to an individual is a reference to the shares which, in accordance with section 187(3)(a), fall to be brought into account in his case to determine whether their number exceeds a particular percentage of the company's ordinary share capital.
- (3) In any case where—
- (a) the shares attributed to an individual consist of or include shares which he or any other person has a right to acquire; and
 - (b) the circumstances are such that, if that right were to be exercised, the shares acquired would be shares which were previously unissued and which the company is contractually bound to issue in the event of the exercise of the right;
- then, in determining at any time prior to the exercise of that right whether the number of shares attributed to the individual exceeds a particular percentage of the ordinary share capital of the company, that ordinary share capital shall be taken to be increased by the number of unissued shares referred to in paragraph (b) above.
- (4) This paragraph has effect as respects any time after 5th April 1987.

Shares held by trustees of approved profit sharing schemes

- 39 In applying section 187(3), as respects any time before or after the passing of this Act, there shall be disregarded—
- (a) the interest of the trustees of an approved profit sharing scheme in any shares which are held by them in accordance with the scheme and have not yet been appropriated to an individual; and
 - (b) any rights exercisable by those trustees by virtue of that interest.

^{F2908} Shares subject to an employee benefit trust

Textual Amendments

F2908Sch. 9 para. 40 and preceding cross-heading inserted by [Finance Act 1989 \(c. 26\), s. 65](#)

- 40 (1) Where an individual has an interest in shares or obligations of the company as a beneficiary of an employee benefit trust, the trustees shall not be regarded as associates of his by reason only of that interest unless sub-paragraph (3) below applies in relation to him.
- (2) In this paragraph “employee benefit trust” has the same meaning as in paragraph 7 of Schedule 8.
- (3) This sub-paragraph applies in relation to an individual if at any time on or after 14th March 1989—
- (a) the individual, either on his own or with any one or more of his associates, or
 - (b) any associate of his, with or without other such associates,
- has been the beneficial owner of, or able (directly or through the medium of other companies or by any other indirect means) to control, more than 25 per cent., or in

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the case of a share option scheme which is not a savings-related share option scheme more than 10 per cent., of the ordinary share capital of the company.

- (4) Sub-paragraphs (9) to (12) of paragraph 7 of Schedule 8 shall apply for the purposes of this paragraph in relation to an individual as they apply for the purposes of that paragraph in relation to an employee.]]

SCHEDULE 10

FURTHER PROVISIONS RELATING TO PROFIT SHARING SCHEMES

Modifications etc. (not altering text)

- C109** Sch. 10 excluded (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 238(2)(c)(4), 289 (with ss. 60, 101(1), 171, 201(3))
- C110** Sch. 10 modified (29.4.1996) by Finance Act 1996 (c. 8), s. 116(3)
- C111** Sch. 10 continued (6.4.2003 with effect in accordance with s. 723(1) of the affecting Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), s. 418(3) (with Sch. 7)

Limitations on contractual obligations of participants

- 1 (1) ^{M190} Any obligation placed on the participant by virtue of paragraph 2(2) of Schedule 9 shall not prevent the participant from—
- (a) directing the trustees to accept an offer for any of his shares (“the original shares”) if the acceptance or agreement will result in a new holding being equated with the original shares for the purposes of capital gains tax; or
 - (b) directing the trustees to agree to a transaction affecting his shares or such of them as are of a particular class, if the transaction would be entered into pursuant to a compromise, arrangement or scheme applicable to or affecting—
 - (i) all the ordinary share capital of the company in question or, as the case may be, all the shares of the class in question; or
 - (ii) all the shares, or all the shares of the class in question, which are held by a class of shareholders identified otherwise than by reference to their employment or their participation in an approved scheme; or
 - (c) directing the trustees to accept an offer of cash, with or without other assets, for his shares if the offer forms part of a general offer which is made to holders of shares of the same class as his or of shares in the same company and which is made in the first instance on a condition such that if it is satisfied the person making the offer will have control of that company, within the meaning of section 416; or
 - [^{F2909}(cc) directing the trustees to accept an offer of a qualifying corporate bond, whether alone or with cash or other assets or both, for his shares if the offer forms part of a general offer which is made as mentioned in paragraph (c) above; or]
 - (d) agreeing after the expiry of the period of retention to sell the beneficial interest in his shares to the trustees for the same consideration as, in accordance with sub-paragraph (d) of paragraph 2(2) of Schedule 9, would be required to be obtained for the shares themselves.

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- (2) ^{M191}No obligation placed on the participant by virtue of paragraph 2(2)(c) of Schedule 9 shall be construed as binding his personal representatives to pay any sum to the trustees.
- (3) ^{M192}If, in breach of his obligation under paragraph 2(2)(b) of Schedule 9 a participant assigns, charges or otherwise disposes of the beneficial interest in any of his shares, then, as respects those shares, he shall be treated for the purposes of the relevant provisions as if at the time they were appropriated to him he was ineligible to participate in the scheme; and paragraph 6 below shall apply accordingly.
- [^{F2910}(4) In sub-paragraph (1)(cc) above “qualifying corporate bond” shall be construed in accordance with section 117 of the 1992 Act.]

Textual Amendments

F2909 Sch. 10 para. 1(1)(cc) inserted (with effect in accordance with s. 101(7) of the amending Act) by Finance Act 1994 (c. 9), s. 101(2)

F2910 Sch. 10 para. 1(4) inserted (with effect in accordance with s. 101(7) of the amending Act) by Finance Act 1994 (c. 9), s. 101(3)

Marginal Citations

M190 Source—1978 s.54(2); 1979 Sch.7

M191 Source—1978 s.54(1A); 1980 s.46(2)

M192 Source—1978 s.54(3)

The period of retention

- 2 ^{M193}For the purposes of any of the relevant provisions, “the period of retention”, in relation to any of a participant’s shares, means the period beginning on the date on which they are appropriated to him and ending on the second anniversary of that date or, if it is earlier—
- (a) the date on which the participant ceases to be a director or employee of the grantor or, in the case of a group scheme, a participating company by reason of injury or disability or on account of his being dismissed by reason of redundancy, within the meaning of [^{F2911}the Employment Rights Act 1996] or the [^{F2912}Employment Rights (Northern Ireland) Order 1996]; or
 - (b) the date on which the participant reaches [^{F2913}the relevant age]; or
 - (c) the date of the participant’s death; [^{F2914}or]
 - (d) in a case where the participant’s shares are redeemable shares in a workers’ cooperative, the date on which the participant ceases to be employed by, or by a subsidiary of, the cooperative.

For the purposes of sub-paragraph (a) above, in the case of a group scheme, the participant shall not be treated as ceasing to be a director or employee of a participating company until such time as he is no longer a director or employee of any of the participating companies.

[^{F2915}In this paragraph, the reference to the relevant age is a reference, in the case of a scheme approved before the day on which the Finance Act 1991 was passed, [^{F2916}in the case of a man, to the age of 65, and in the case of a woman, to the age of 60] and, in the case of a scheme approved on or after that day, to the specified age.]

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Textual Amendments

- F2911** Words in **Sch. 10 para. 2** substituted (22.8.1996) by **Employment Rights Act 1996 (c. 18), s. 243, Sch. 1 para. 35(4)(b)**
- F2912** Words in **Sch. 10 para. 2** substituted (24.9.1996) by **The Employment Rights (Northern Ireland) Order 1996 (S.I. 1996/1919 (N.I. 16)), art. 1(2), Sch. 1 (with Sch. 2)**
- F2913** Words in **Sch. 10 para. 2(b)** substituted by **Finance Act 1991 (c. 31, SIF 63:1), s. 38(3)**
- F2914** Word at the end of **Sch. 10 para. 2(c)** inserted (retrospectively) by **Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, 9**
- F2915** Words in **Sch. 10 para. 2** inserted by **Finance Act 1991 (c. 31, SIF 63:1), s. 38(3)**
- F2916** Words in **Sch. 10 para. 2** substituted (19.7.1995) by **Pensions Act 1995 (c. 26), ss. 126, 180(2)(a), Sch. 4 para. 12(b), s. 178(3)**

Marginal Citations

- M193** Source—1978 s.54(4), (5); 1980 s.46(3); 1986 s.24(3)

The appropriate percentage

- 3 ^{F2917}(1) For the purposes of any of the relevant provisions ^{F2918}under which an amount counts as employment income of an individual] by reason of the occurrence of an event relating to any of his shares, the “appropriate percentage” in relation to those shares is 100 per cent., unless sub-paragraph (2) below applies.
- (2) Where the individual—
- (a) ceases to be a director or employee of the grantor or, in the case of a group scheme, a participating company as mentioned in paragraph 2(a) above, or
 - (b) reaches the relevant age,
- before the event occurs, the “appropriate percentage” is 50 per cent., unless paragraph 6(4) below applies.]

Textual Amendments

- F2917** **Sch. 10 para. 3** substituted (with effect in accordance with **s. 107(3)** of the amending Act) by **Finance Act 1996 (c. 8), s. 117(1)**
- F2918** Words in **Sch. 10 paras. 3(1), 6(4)** substituted (6.4.2003 with effect in accordance with **s. 723(1)** of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 113(2) (with Sch. 7)**

- ^{F2919}3(1) In paragraph 3 above the reference to the relevant age shall be construed as follows.
- (2) Where the scheme is approved before 25th July 1991 and the event occurs before 30th November 1993, the relevant age is
- ^{F2920}(a) in the case of a man, 65, and
 - (b) in the case of a woman, 60.]
- (3) Where—
- (a) the scheme is approved before 25th July 1991,
 - (b) the event occurs on or after 30th November 1993,
 - (c) the scheme defines the period of retention by reference to the age of 60 for both men and women, and

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- (d) the reference to that age is incorporated in the definition by virtue of an alteration approved by the Board under paragraph 4 of Schedule 9 before the event occurs,
the relevant age is 60.
- (4) Where—
- (a) the scheme is approved before 25th July 1991,
 - (b) the event occurs on or after 30th November 1993, and
 - (c) sub-paragraph (3) above does not apply,
- the relevant age is [^{F2921}in the case of a man, 65, and in the case of a woman, 60.]
- (5) Where the scheme is approved on or after 25th July 1991, the relevant age is the specified age.]

Textual Amendments

F2919Sch. 10 para. 3A inserted (3.5.1994) by [Finance Act 1994 \(c. 9\), s. 100\(3\)](#)

F2920Words in [Sch. 10 para. 3A\(2\)](#) substituted (19.7.1995) by [Pensions Act 1995 \(c. 26\), s. 180\(2\)\(a\), Sch. 4 para. 12\(c\)](#)

F2921Words in [Sch. 10 para. 3A\(4\)](#) substituted (19.7.1995) by [Pensions Act 1995 \(c. 26\), s. 180\(2\)\(a\), Sch. 4 para. 12\(d\)](#)

Capital receipts

- 4 (1) ^{M194}Money or money's worth is not a capital receipt for the purposes of section 186(3) if or, as the case may be, to the extent that—
- (a) it constitutes income in the hands of the recipient for the purposes of income tax; or
 - (b) it consists of the proceeds of a disposal falling within section 186(4); or
 - (c) it consists of new shares within the meaning of paragraph 5 below.
- (2) If, pursuant to a direction given by or on behalf of the participant or any person in whom the beneficial interest in the participant's shares is for the time being vested, the trustees—
- (a) dispose of some of the rights arising under a rights issue, as defined in section 186(8), and
 - (b) use the proceeds of that disposal to exercise other such rights,
- the money or money's worth which constitutes the proceeds of that disposal is not a capital receipt for the purposes of section 186(3).
- (3) If, apart from this sub-paragraph, the amount or value of a capital receipt would exceed the sum which, immediately before the entitlement to the receipt arose, was the locked-in value of the shares to which the receipt is referable, section 186(3) shall have effect as if the amount or value of the receipt were equal to that locked-in value.
- (4) Section 186(3) does not apply in relation to a capital receipt if the entitlement to it arises after the death of the participant to whose shares it is referable.

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Marginal Citations

M194 Source—1978 s.56(2)-(5)

Company reconstructions

- 5 (1) ^{M195}This paragraph applies where there occurs in relation to any of a participant's shares ("the original holding") a transaction which results in a new holding being equated with the original holding for the purposes of capital gains tax; and any such transaction is referred to below as a "company reconstruction".
- (2) Where an issue of shares of any of the following descriptions (in respect of which a charge to income tax arises) is made as part of a company reconstruction, those shares shall be treated for the purposes of this paragraph as not forming part of the new holding, that is to say—
- (a) redeemable shares or securities issued as mentioned in [^{F2922}condition C or D in section 1000(1) of CTA 2010];
 - (b) share capital issued in circumstances such that [^{F2923}section 1022 of CTA 2010] applies; and
 - (c) share capital to which [^{F2924}section 1049 of CTA 2010] applies.
- (3) In this paragraph—
- "corresponding shares", in relation to any new shares, means those shares in respect of which the new shares are issued or which the new shares otherwise represent;
 - "new shares" means shares comprised in the new holding which were issued in respect of, or otherwise represent, shares comprised in the original holding; and
 - "original holding" has the meaning given by sub-paragraph (1) above.
- (4) Subject to the following provisions of this paragraph, in relation to a profit sharing scheme, references in the relevant provisions to a participant's shares shall be construed, after the time of the company reconstruction, as being or, as the case may be, as including references to any new shares, and for the purposes of the relevant provisions—
- (a) a company reconstruction shall be treated as not involving a disposal of shares comprised in the original holding;
 - (b) the date on which any new shares are to be treated as having been appropriated to the participant shall be that on which the corresponding shares were appropriated; and
 - (c) the conditions in paragraphs 10 to 12 and 14 of Schedule 9 shall be treated as fulfilled with respect to any new shares if they were (or were treated as) fulfilled with respect to the corresponding shares.
- (5) In relation to shares comprised in the new holding, section 186(5) shall apply as if the references in that subsection to the initial market value of the shares were references to their locked-in value immediately after the company reconstruction, which shall be determined as follows—
- (a) ascertain the aggregate amount of locked-in value immediately before the reconstruction of those shares comprised in the original holding which had at that time the same locked-in value; and

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- (b) distribute that amount *pro rata* among—
- (i) such of those shares as remain in the new holding, and
 - (ii) any new shares in relation to which those shares are the corresponding shares, according to their market value immediately after the date of their reconstruction;
- and section 186(5)(a) shall apply only to capital receipts after the date of the reconstruction.
- (6) For the purposes of the relevant provisions if, as part of a company reconstruction, trustees become entitled to a capital receipt, their entitlement to the capital receipt shall be taken to arise before the new holding comes into being and, for the purposes of sub-paragraph (5) above, before the date on which the locked-in value of any shares comprised in the original holding falls to be ascertained.
- (7) In the context of a new holding, any reference in this paragraph to shares includes securities and rights of any description which form part of the new holding for the purposes of Chapter II of Part IV of the ^{F2925}1992] Act.

Textual Amendments

- F2922** Words in Sch. 10 para. 5(2)(a) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 138(a) (with Sch. 2)
- F2923** Words in Sch. 10 para. 5(2)(b) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 138(b) (with Sch. 2)
- F2924** Words in Sch. 10 para. 5(2)(c) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 138(c) (with Sch. 2)
- F2925** Word in Sch. 10 para. 5(7) substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 10 para. 14(58) (with ss. 60, 101(1), 171, 201(3))

Marginal Citations

- M195** Source—1978 s.57; 1979(C) Sch.7

^{F2926}5(1) Paragraph 5(2) to (6) above apply where there occurs in relation to any of a participant's shares ("the original holding") a relevant transaction which would result in a new holding being equated with the original holding for the purposes of capital gains tax, were it not for the fact that what would be the new holding consists of or includes a qualifying corporate bond; and "relevant transaction" here means a transaction mentioned in Chapter II of Part IV of the 1992 Act.

- (2) In paragraph 5(2) to (6) above as applied by this paragraph—
- (a) references to a company reconstruction are to the transaction referred to in sub-paragraph (1) above;
 - (b) references to the new holding are to what would be the new holding were it not for the fact mentioned in sub-paragraph (1) above;
 - (c) references to the original holding shall be construed in accordance with sub-paragraph (1) above (and not paragraph 5(1));
 - (d) references to shares, in the context of the new holding, include securities and rights of any description which form part of the new holding.
- (3) In sub-paragraph (1) above "qualifying corporate bond" shall be construed in accordance with section 117 of the 1992 Act.]

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F2926Sch. 10 para. 5A inserted (with effect in accordance with s. 101(8) of the amending Act) by Finance Act 1994 (c. 9), s. 101(4) (with s. 101(13))

Excess or unauthorised shares

- 6 (1) ^{M196}This paragraph applies in any case where—
- (a) the total amount of the initial market value of all the shares which are appropriated to an individual in any one year of assessment (whether under a single approved profit sharing scheme or under two or more such schemes) exceeds the relevant amount; or
 - (b) the trustees of an approved profit sharing scheme appropriate shares to an individual at a time when he is ineligible to participate in the scheme by virtue of paragraph 8 or 35 of Schedule 9.
- (2) In this paragraph—
- “excess shares” means any share which caused the relevant amount to be exceeded and any share appropriated after that amount was exceeded; and
 - “unauthorised shares” means any share appropriated as mentioned in sub-paragraph (1)(b) above.
- (3) For the purposes of sub-paragraph (1)(a) above, if a number of shares is appropriated to an individual at the same time under two or more approved profit sharing schemes, the same proportion of the shares appropriated at that time under each scheme shall be regarded as being appropriated before the relevant amount is exceeded.
- (4) For the purposes of any of the relevant provisions [^{F2927}under which an amount counts as employment income of an individual] by reason of the occurrence of an event relating to any of his shares—
- (a) the appropriate percentage in relation to excess or unauthorised shares shall in every case be 100 per cent.; and
 - (b) without prejudice to section 187(8), the event shall be treated as relating to shares which are not excess or unauthorised shares before shares which are.
- (5) Excess or unauthorised shares which have not been disposed of before the release date or, if it is earlier, the date of the death of the participant whose shares they are, shall be treated for the purposes of the relevant provisions as having been disposed of by the trustees immediately before the release date or, as the case may require, the date of the participant’s death, for a consideration equal to their market value at that time.
- (6) The locked-in value at any time of any excess or unauthorised shares shall be their market value at that time.
- (7) Where there has been a company reconstruction to which paragraph 5 above applies, a new share (within the meaning of that paragraph) shall be treated as an excess or unauthorised share if the corresponding share (within the meaning of that paragraph) or, if there was more than one corresponding share, each of them was an excess or unauthorised share.

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Textual Amendments

F2927 Words in **Sch. 10 paras. 3(1), 6(4)** substituted (6.4.2003 with effect in accordance with **s. 723(1)** of the amending Act) by **Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 113(2)** (with **Sch. 7**)

Marginal Citations

M196 Source—1978 s.58; 1983 s.25(1)

P.A.Y.E. deduction of tax

- 7 (1) ^{M197} Subject to sub-paragraphs (4) and (5) below, where the trustees of an approved profit sharing scheme receive a sum of money which constitutes (or forms part of)—
- (a) the proceeds of a disposal of shares falling within section 186(4), or
 - (b) a capital receipt,
- in respect of which [^{F2928} an amount counts as employment income of the participant] in accordance with section 186, the trustees shall pay out of that sum of money to the company specified in sub-paragraph (3) below an amount equal to that on which income tax is so payable; and the company shall then pay over that amount to the participant but in so doing shall make a P.A.Y.E. deduction.
- (2) Where a participant disposes of his beneficial interest in any of his shares to the trustees of the scheme and the trustees are deemed by virtue of section 186(9) to have disposed of the shares in question, this paragraph shall apply as if the consideration payable by the trustees to the participant on the disposal had been received by the trustees as the proceeds of disposal of shares falling within section 186(4).
- (3) The company to which the payment mentioned in sub-paragraph (1) above is to be made is the company—
- (a) of which the participant is an employee or director at the time the trustees receive the sum of money referred to in that sub-paragraph, and
 - (b) whose employees are at that time eligible (subject to the terms of the scheme and Schedule 9) to be participants in the approved profit sharing scheme concerned,
- and if there is more than one company which falls within paragraphs (a) and (b) above, such one of those companies as the Board may direct.
- (4) Where the trustees of an approved profit sharing scheme receive a sum of money to which sub-paragraph (1) above applies but—
- (a) there is no company which falls within paragraphs (a) and (b) of sub-paragraph (3) above, or
 - (b) the Board is of opinion that it is impracticable for the company which falls within those paragraphs (or, as the case may be, any of them) to make a P.A.Y.E. deduction and accordingly direct that this sub-paragraph shall apply,
- then, in paying over to the participant the proceeds of the disposal or the capital receipt, the trustees shall make a P.A.Y.E. deduction in respect of an amount equal to that on which income tax is payable as mentioned in sub-paragraph (1) above as if the participant were a former employee of the trustees.

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- (5) Where the trustees of an approved profit sharing scheme receive a sum of money to which sub-paragraph (1) above applies and the Board direct that this sub-paragraph shall apply—
- (a) the trustees shall make the payment mentioned in that sub-paragraph to the company specified in the Board's direction; and
 - (b) that company shall pay over that amount to the participant but in so doing shall make a P.A.Y.E. deduction, and for that purpose if the participant is not an employee of that company he shall be treated as a former employee;
- but no such direction shall be given except with the consent of the trustees, the company or companies (if any) specified in sub-paragraph (3) above and the company specified in the direction.
- (6) Where, in accordance with this paragraph any person is required to make a P.A.Y.E. deduction in respect of any amount, that amount shall be treated for the purposes of [F²⁹²⁹ section 684 of ITEPA 2003 (PAYE regulations) and PAYE regulations as PAYE income payable to the recipient], and, accordingly, such deduction shall be made as is required by those regulations.
- (7) Where, in connection with a transfer of a participant's shares to which sub-paragraph (c) of paragraph 2(2) of Schedule 9 applies, the trustees receive such a sum as is referred to in that sub-paragraph, that sum shall be treated for the purposes of the Income Tax Acts—
- (a) as a sum deducted by the trustees pursuant to a requirement to make a P.A.Y.E. deduction under sub-paragraph (4) above; and
 - (b) as referable to the income tax ^{F²⁹³⁰} . . . which, as a result of the transfer, [F²⁹³¹ is charged on the participant] by virtue of section 186(4).
- (8) Unless the Board otherwise direct, in the application of this paragraph to a sum of money which constitutes or forms part of the proceeds of a disposal of, or a capital receipt referable to, excess or unauthorised shares (within the meaning of paragraph 6 above), the trustees shall determine the amount of the payment mentioned in sub-paragraph (1) above or, as the case may be, the amount of the P.A.Y.E. deduction to be made under sub-paragraph (4) above as if the shares were not excess or unauthorised shares.

Textual Amendments

F2928 Words in Sch. 10 para. 7(1) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 113(3)(a) (with Sch. 7)

F2929 Words in Sch. 10 para. 7(6) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 113(3)(b) (with Sch. 7)

F2930 Word in Sch. 10 para. 7(7)(b) repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 113(3)(c)(i), Sch 8 Pt. 1 (with Sch. 7)

F2931 Words in Sch. 10 para. 7(7)(b) substituted (6.4.2003 with effect in accordance with s. 723(1) of the amending Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 113(3)(c)(ii) (with Sch. 7)

Marginal Citations

M197 Source—1978 s.59; 1980 s.46(8); 1987 Sch.15 11(3)

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[^{F2932F2933}SCHEDULE 11]

Textual Amendments

F2932Sch. 11 substituted (with effect in accordance with s. 58(4) of the amending Act) by Finance Act 1998 (c. 36), s. 58(2), **Sch. 9 Pt. 1**

F2933Sch. 11 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 114, **Sch 8 Pt. 1** (with Sch. 7)

^{F2935F2935}[^{F2936}SCHEDULE 11A]

Textual Amendments

F2935Sch. 11A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 115, **Sch 8 Pt. 1** (with Sch. 7)

F2936Sch. 11A inserted (27.7.1993) by Finance Act 1993 (c. 34), s. 76, **Sch. 5 para. 2**

^{F2995F2995}SCHEDULE 12

Textual Amendments

F2995Sch. 12 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 116, **Sch 8 Pt. 1** (with Sch. 7)

^{F3013F3013}[^{F3014}SCHEDULE
12AA

Textual Amendments

F3013Sch. 12AA repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by Income Tax (Earnings and Pensions) Act 2003 (c. 1), Sch. 6 para. 117, **Sch. 8 Pt. 1** (with Sch. 7)

F3014Sch. 12AA inserted (with effect in accordance with s. 57(4) of the amending Act) by Finance Act 2001 (c. 9), s. 57(2), **Sch. 12 Pt. 1**

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F3015F3015 | F3016 SCHEDULE 12A

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Textual Amendments

F3015Sch. 12A repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), Sch. 6 para. 118, **Sch. 8 Pt. 1** (with Sch. 7)

F3016Sch. 12A inserted (with effect in accordance with s. 61(3) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), s. 61(2), **Sch. 10**

F3017F3017 SCHEDULE 13

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Textual Amendments

F3017Sch. 13 repealed (with effect in accordance with Sch. 3 para. 41(2) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 41(1), **Sch. 27 Pt. 3(2)**, Note

F3056F3056 | F3057 SCHEDULE 13A

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Textual Amendments

F3056Sch. 13A repealed (with effect in accordance with Sch. 3 para. 42(2) of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), Sch. 3 para. 42(1), **Sch. 27 Pt. 3(2)**, Note

F3057Sch. 13A inserted (with effect in accordance with Sch. 25 para. 3 of the amending Act) by [Finance Act 1996 \(c. 8\)](#), s. 139, **Sch. 25 para. 2**

F3063F3063 | F3064 SCHEDULE 13B

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Textual Amendments

F3063Sch. 13B repealed (6.4.2003) by [Tax Credits Act 2002 \(c. 21\)](#), s. 61, **Sch. 6**; S.I. 2003/962, art. 2(3)(e), **Sch. 1** (with arts. 3-5)

F3064Sch. 13B inserted (with effect in accordance with s. 30(5) of the amending Act) by [Finance Act 1999 \(c. 16\)](#), s. 30(2), **Sch. 3**

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SCHEDULE 14

Section 266(12).

PROVISIONS ANCILLARY TO SECTION 266

PART I

MODIFICATION OF SECTION 266 IN CERTAIN CASES

[^{F3073}Spouses and civil partners]

Textual Amendments

F3073 Cross-heading preceding Sch. 14 para. 1 substituted (5.12.2005) by virtue of [The Tax and Civil Partnership Regulations 2005 \(S.I. 2005/3229\)](#), **regs. 1(1), 101(3)**

1 [^{F3074}(1) In section 266—

- (a) references to an individual's spouse include any person who—
 - (i) was that individual's spouse at the time the insurance or contract was made, or
 - (ii) became that individual's spouse after the insurance or contract was made,
 unless the marriage was dissolved before 6th April 1979, and
- (b) references to an individual's civil partner include any person who—
 - (i) was that individual's civil partner at the time the insurance or contract was made, or
 - (ii) became that individual's civil partner after the insurance or contract was made.]

[^{F3075}(1A) But an individual is entitled to relief by virtue of sub-paragraph (1)(a)(ii) or (b)(ii) only in respect of premiums payable after the date on which the person in question became that individual's spouse or civil partner.]

^{F3076}(2)

^{F3076}(3)

Textual Amendments

F3074 Sch. 14 para. 1(1) substituted (1.4.2011 with effect in accordance with art. 6(3) of the amending S.I.) by The Enactment of [Extra-Statutory Concessions Order 2011 \(S.I. 2011/1037\)](#), **arts. 1, 6(1)**

F3075 Sch. 14 para. 1(1A) inserted (1.4.2011 with effect in accordance with art. 6(3) of the amending S.I.) by The Enactment of [Extra-Statutory Concessions Order 2011 \(S.I. 2011/1037\)](#), **arts. 1, 6(2)**

F3076 Sch. 14 para. 1(2)(3) repealed by [Finance Act 1988 \(c. 39\)](#), **Sch.14 Part VIII**, Note 6

Premiums payable to friendly societies and industrial assurance companies

2 (1) ^{M205} This paragraph applies to—

- (a) a policy issued in the course of an industrial assurance business; and

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- (b) a policy issued by a [^{F3077}friendly society] in the course of tax exempt life or endowment business (as defined in section 466).

[^{F3078}(1A) In sub-paragraph (1)(a) “industrial assurance business” means any industrial assurance business within the meaning given by—

- (a) section 1(2) of the Industrial Assurance Act 1923, or
(b) Article 3(1) of the Industrial Assurance (Northern Ireland) Order 1979, which was carried on before 1 December 2001.]

(2) Subject to paragraph 3(2) below, if a policy to which this paragraph applies was issued before the passing of the Finance Act 1976 (29th July 1976), section 266 shall have effect in relation to it as if subsections (2)(b), (3)(a), (b) and (d) were omitted; and if a policy to which this paragraph applies was issued after the passing of that Act, subsection (2)(b) of that section shall have effect in relation to it as if it permitted the insurance to be on the life of the individual’s parent or grandparent or, subject to sub-paragraph (3) below, on the life of the individual’s child or grandchild.

(3) Relief may be given in respect of premiums under a policy of insurance on the life of an individual’s child or grandchild which was or is issued after the passing of the Finance Act 1976 (29th July 1976), as if subsection (3)(d) of section 266 were omitted, but may be given only if the annual amount of the premiums, together with that of any relevant premiums, does not exceed £52 if the policy was issued in respect of an insurance made before 25th March 1982 or £64 in any other case.

(4) For the purposes of sub-paragraph (3) above, a relevant premium, in relation to an insurance made at any time on the life of an individual’s child or grandchild, is any premium under a policy of insurance on the same life, where the insurance is made at the same time or earlier, whether it is made by the individual or any other person.

(5) In this paragraph “child” includes a step-child and an illegitimate child whose parents have married each other after his birth, and “grandchild”, “parent” and “grandparent” have corresponding meanings.

Textual Amendments

F3077 Words in Sch. 14 para. 2(1)(b) substituted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, Sch. 9 para. 18(2); S.I. 1993/236, art.2

F3078 Sch. 14 para. 2(1A) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 232(2) (with Sch. 2)

Marginal Citations

M205 Source—1976 Sch.4 11; 1979/1576; 1982 s.35(2), (4); 1970 s.10

- 3 (1) ^{M206} Where a policy is issued or a contract is made by a [^{F3079}friendly society] or a policy to which paragraph 2 above applies is issued by an industrial assurance company, section 266(4), (5) and (8) shall apply in relation to premiums payable under the policy or contract subject to the following provisions of this paragraph.
- (2) References to the deductions authorised under section 266(5) shall be construed as including references to any amount retained by or refunded to the person paying the premium under any scheme made by the society or company in accordance with regulations made under this paragraph.
- (3) The appropriate authority may make regulations authorising—

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- (a) the adoption by [^{F3079}friendly societies] and industrial assurance companies of any prescribed scheme for securing that in the case of policies or contracts to which the scheme applies amounts equal to [^{F3080}12.5 per cent.] of the premiums payable are retained by or refunded to the person paying the premiums or that, in the case of such policies or contracts issued or made before 6th April 1979, the amounts expressed as the amounts of the premiums payable are treated as amounts arrived at by deducting [^{F3080}12.5 per cent.] from the amounts payable and that the amounts of the capital sums assured or guaranteed are treated as correspondingly increased; or
- (b) the adoption by any such society or company of any special scheme for that purpose which may, in such circumstances as may be prescribed, be approved by the appropriate authority.
- (4) Increases treated as made in pursuance of regulations under this paragraph shall not be treated as variations of a policy or contract and shall be disregarded for the purposes of paragraph 2(3) above, sections 268(6), 460, 461(1) and 464 of, and paragraph 7 of Schedule 15 to, this Act ^{F3081}
- (5) The regulations may include such adaptations and modifications of the enactments relating to friendly societies or industrial assurance companies and such other incidental and supplementary provisions as appear to the appropriate authority necessary or expedient for the purpose of enabling such societies or companies to adopt the schemes authorised by the regulations.
- (6) Subsections (4), (5) and (7) to (11) of section 6 of the ^{M207}Decimal Currency Act 1969 shall, with the necessary modifications, apply in relation to regulations made under this paragraph.

Textual Amendments

F3079 Words in Sch. 14 para. 3(1)(3)(a) substituted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, Sch. 9 para. 18(2)(3); S.I. 1993/236, art.2

F3080 Words in Sch. 14 para. 3(3)(a) substituted (6.4.1989) by Finance Act 1988 (c. 39), s. 29

F3081 Words in Sch. 14 para. 3(4) repealed (with effect in accordance with s. 173 of the repealing Act) by Finance Act 1989 (c. 26), Sch. 17 Pt. 9, Note

Marginal Citations

M206 Source—1976 Sch.4 13; 1978 Sch.3 7; 1980 s.29(2)(c); 1987 Sch.15 9

M207 1969 c.19.

PART II

SUPPLEMENTARY PROVISIONS AS TO RELIEF UNDER SECTION 266

- 4 (1) ^{M208}Where it appears to the Board that the relief (if any) to which a person is entitled under section 266 has been exceeded or might be exceeded unless the premiums payable by him under any policy or contract were paid in full, they may, by notice to that person and to the person to whom the payments are made, exclude the application of subsection (5) of that section in relation to any payments due or made after such date as may be specified in the notice and before such date as may be specified in a further notice to those persons.

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- (2) Where the application of section 266(5) is so excluded in relation to any payments, the relief (if any) to which the person by whom the payments are made is entitled under section 266 shall be given to him under paragraph 6 below.

Marginal Citations

M208 Source—1976 Sch.4 14; 1978 Sch.3 2, 8

- 5 ^{M209}Where a person is entitled to relief under section 266 in respect of a payment to which [^{F3082}section 386 of ITEPA 2003 (payments to non-approved retirement benefits schemes)] applies, section 266(5) shall not apply but the like relief shall be given to him under paragraph 6 below.

Textual Amendments

F3082 Words in [Sch. 14 para. 5](#) substituted (6.4.2003 with effect in accordance with [s. 723\(1\)](#) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 6 para. 119](#) (with [Sch. 7](#))

Marginal Citations

M209 Source—1976 Sch.4 14A; 1978 Sch.3 9

- 6 (1) ^{M210}Where in any year of assessment the relief to which a person is entitled under section 266 ^{F3083} . . . has not been fully given in accordance with that section and the preceding provisions of this Schedule, he may claim relief for the difference, and relief for the difference shall then be given by a payment made by the Board or by discharge or repayment of tax or partly in one such manner and partly in another; and where relief so given to any person exceeds that to which he is entitled under section 266, he shall be liable to make good the excess and an inspector may make such assessments as may in his judgment be required for recovering the excess.
- (2) The Management Act shall apply to any assessment under this paragraph as if it were an assessment to tax for the year of assessment in which the relief was given ^{F3084} . . .

Textual Amendments

F3083 Words in [Sch. 14 para. 6\(1\)](#) omitted (with effect in accordance with [Sch. 1 para. 7](#) of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), [Sch. 1 para. 5](#)

F3084 Words in [Sch. 14 para. 6\(2\)](#) repealed (with effect in accordance with [Sch. 18 para. 17\(5\)](#) of the repealing Act) by [Finance Act 1996 \(c. 8\)](#), [Sch. 18 para. 11\(2\)](#), [Sch. 41 Pt. 5\(8\)](#), Note

Modifications etc. (not altering text)

C134 [Sch. 14 para. 6](#) restricted by [Finance Act 2012 \(c. 14\)](#), [Sch. 39 para. 24](#)

Marginal Citations

M210 Source—1976 Sch.4 15

- 7 (1) ^{M211}The Board may make regulations for carrying into effect section 266(4), (5), (8) and (9) and the preceding provisions of this Schedule [^{F3085}and paragraphs 9 and 10 of Schedule 15] (“the relevant provisions”).

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- (2) Regulations under this paragraph may, without prejudice to the generality of sub-paragraph (1) above, provide—
- (a) for the furnishing of such information by persons by whom premiums are payable as may be necessary for determining whether they are entitled to make deductions under section 266(5) and for excluding the operation of that subsection in relation to payments made by persons who fail to comply with the regulations;
 - (b) for rounding to a multiple of one penny any payment which, after a deduction authorised under section 266(5), is not such a multiple;
 - (c) for the manner in which claims for the recovery of any sum under section 266(5)(b) may be made;
 - (d) for the furnishing of such information by persons by or to whom premiums are payable as appears to the Board necessary for deciding such claims and for exercising their powers under paragraph 4 or 6 above; and
 - (e) for requiring persons to whom premiums are paid to make available for inspection by an officer authorised by the Board such books and other documents in their possession or under their control as may reasonably be required for the purposes of determining whether any information given by those persons for the purposes of the relevant provisions is correct and complete.
- (3) The following provisions of the Management Act, that is to say—
- ^{F3086}(a) section 29(1)(c) (excessive relief) as it has effect apart from section 29(2) to (10) of that Act;
 - (b) section 30 (recovery of tax repaid in consequence of fraud or negligence etc.) ^{F3087}apart from subsection (1B);
 - (c) ^{F3088}section 86] (interest); and
 - (d) section 95 (incorrect return or accounts);
- ^{F3089}shall apply in relation to an amount which is paid to any person by the Board as an amount recoverable by virtue of section 266(5)(b) but to which that person is not entitled as if it were income tax which ought not to have been repaid and, where that amount was claimed by that person, as if it had been repaid as respects a chargeable period as a relief which was not due.]
- ^{F3090}(4) In the application of section 86 of the Management Act by virtue of sub-paragraph (3) above in relation to sums due and payable by virtue of an assessment made for the whole or part of a year of assessment (“the relevant year of assessment”) under section 29(1)(c) or 30 of that Act, as applied by that sub-paragraph, the relevant date—
- (a) is 1st January in the relevant year of assessment in a case where the person falling within section 266(5)(b) has made a relevant interim claim; and
 - (b) in any other case, is the later of the following dates, that is to say—
 - (i) 1st January in the relevant year of assessment; or
 - (ii) the date of the making of the payment by the Board which gives rise to the assessment.
- (5) In this paragraph—
- “financial year”, in relation to any person, means a financial year of that person for the purposes of the relevant regulations;

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“interim claim” means an interim claim within the meaning of the relevant regulations;

“relevant interim claim” means, in relation to an assessment made for a period coterminous with, or falling wholly within, a person’s financial year, an interim claim made for a period falling wholly or partly within that financial year;

“the relevant regulations” means regulations made under sub-paragraph (1) above.]

Textual Amendments

F3085 Words in Sch. 14 para. 7(1) repealed (with effect in accordance with s. 55(1)-(5) of the repealing Act) by Finance Act 1995 (c. 4), Sch. 29 Pt. 8(7), Note (as s. 55 of that repealing Act is amended (29.4.1996) by Finance Act 1996 (c. 8), s. 162(1)); S.I. 2013/759, art. 2

F3086 Sch. 14 para. 7(3)(a) substituted (with effect in accordance with Sch. 18 para. 17(1)(2) of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 11(3)(a)

F3087 Words in Sch. 14 para. 7(3)(b) inserted (with effect in accordance with Sch. 18 para. 17(1)(2) of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 11(3)(b)

F3088 Words in Sch. 14 para. 7(3)(c) substituted (with effect in accordance with Sch. 18 para. 17(3)(4) of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 11(3)(c)

F3089 Words in Sch. 14 para. 7(3) substituted (with effect in accordance with Sch. 18 para. 17(8) of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 11(3)(d)

F3090 Sch. 14 para. 7(4)(5) added (with effect in accordance with Sch. 18 para. 17(3)(4) of the amending Act) by Finance Act 1996 (c. 8), Sch. 18 para. 11(4)

Marginal Citations

M211 Source—1976 Sch.4 16; 1978 Sch.3 10

- 8 (1) ^{M212} A policy of life insurance issued in respect of an insurance made on or before 19th March 1968 shall be treated for the purposes of section 266(3)(b) as issued in respect of one made after that date if varied after that date so as to increase the benefits secured or to extend the term of the insurance.
- (2) A variation effected before the end of the year 1968 shall be disregarded for the purposes of sub-paragraph (1) above if its only effect was to bring into conformity with paragraph 2 of Schedule 9 to the Finance Act 1968 (qualifying conditions for endowment policies, and now re-enacted as paragraph 2 of Schedule 15 to this Act) a policy previously conforming therewith except as respects the amount guaranteed on death, and no increase was made in the premiums payable under the policy.
- (3) ^{M213} A policy which was issued in the course of industrial assurance business in respect of an insurance made after 13th March 1984 shall be treated for the purposes of section 266(3)(c) and this paragraph as issued in respect of an insurance made on or before that date if—
- (a) the proposal form for the policy was completed on or before that date; and
 - (b) on or before 31st March 1984 the policy was prepared for issue by the company or society concerned; and
 - (c) on or before 31st March 1984 and in accordance with the normal business practice of the company or society a permanent record of the preparation of the policy was made in any book or by any other means kept or instituted by the company or society for the purpose.

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- [^{F3091}(3A) In sub-paragraph (3) “industrial assurance business” means any industrial assurance business within the meaning given by—
- (a) section 1(2) of the Industrial Assurance Act 1923, or
 - (b) Article 3(1) of the Industrial Assurance (Northern Ireland) Order 1979,
- which was carried on before 1 December 2001.]
- (4) [^{F3092}Subject to sub-paragraph (8) below,] for the purposes of section 266(3)(c) a policy of life insurance which was issued in respect of an insurance made on or before 13th March 1984 shall be treated as issued in respect of an insurance made after that date if the policy is varied after that date so as to increase the benefits secured or to extend the term of the insurance.
- (5) If a policy of life insurance which was issued as mentioned in sub-paragraph (4) above confers on the person to whom it was issued an option to have another policy substituted for it or to have any of its terms changed, then, for the purposes of that sub-paragraph and section 266(3)(c), any change in the terms of the policy which is made in pursuance of the option shall be deemed to be a variation of the policy.
- (6) In any case where—
- (a) one policy is replaced by another in such circumstances that the provisions of paragraph 20 of Schedule 15 apply; and
 - (b) the earlier policy was issued in respect of an insurance made on or before 13th March 1984; and
 - (c) the later policy confers on the life or lives assured thereby benefits which are substantially equivalent to those which would have been enjoyed by the life or lives assured under the earlier policy, if that policy had continued in force;
- then, for the purposes of section 266(3)(c), the insurance in respect of which the later policy is issued shall be deemed to have been made before 13th March 1984; and in this sub-paragraph “the earlier policy” and “the later policy” have the same meaning as in paragraph 20 of Schedule 15.
- (7) In any case where—
- (a) there is a substitution of policies falling within paragraph 25(1) or (3) of Schedule 15; and
 - (b) the old policy was issued in respect of an insurance made on or before 13th March 1984;
- then, for the purposes of section 266(3)(c), the insurance in respect of which the new policy is issued shall be deemed to have been made before 13th March 1984; and in this sub-paragraph “the old policy” and “the new policy” have the same meaning as in paragraph 17 of Schedule 15.
- [^{F3093}(8) Sub-paragraph (4) above does not apply in the case of a variation so as to increase the benefits secured, if the variation is made—
- (a) on or after such day as the Board may by order appoint, and
 - (b) in consideration of a change in the method of payment of premiums from collection by a person collecting premiums from house to house to payment by a different method.]

Subordinate Legislation Made

P3 Sch. 14 para. 8(8)(a) power exercised: 1.12.2001 appointed by S.I. 2001/3643, art. 2(b)

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Textual Amendments

F3091 Sch. 14 para. 8(3A) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), **Sch. 1 para. 232(4)** (with Sch. 2)

F3092 Words in Sch. 14 para. 8(4) inserted (29.4.1996) by Finance Act 1996 (c. 8), **s. 167(5)**

F3093 Sch. 14 para. 8(8) inserted (29.4.1996) by Finance Act 1996 (c. 8), **s. 167(6)**

Marginal Citations

M212 Source—1970 s.19(5)

M213 Source—1984 s.72(2)-(4), (6), (7)

SCHEDULE 15

Section 267.

QUALIFYING POLICIES

Modifications etc. (not altering text)

C135 Sch. 15 modified by Finance Act 1991 (c. 31, SIF 63:1), s. 50, **Sch. 9 para. 5 (2)**

C136 Sch. 15 modified (1.5.1995) by Finance Act 1995 (c. 4), **Sch. 10 para. 4(2)(3)**

[^{F3094} PART A1

PREMIUM LIMIT FOR QUALIFYING POLICIES

Textual Amendments

F3094 Sch. 15 Pt. A1 inserted (17.7.2013) by Finance Act 2013 (c. 29), **Sch. 9 para. 2**

Premium limit for qualifying policies to apply from 6 April 2013

- A1 (1) Sub-paragraph (2) applies if—
- (a) an event falling within sub-paragraph (3) occurs,
 - (b) apart from sub-paragraph (2), the policy to which the event relates would be a qualifying policy after the event, and
 - (c) an individual who is a beneficiary under that policy is in breach of the premium limit for qualifying policies.
- (2) That policy is not to be a qualifying policy after the event.
- (3) The events falling within this sub-paragraph are—
- (a) the issue of a policy in respect of an insurance made on or after 6 April 2013;
 - (b) the variation of a policy on or after 6 April 2013 where as a result of the variation—
 - (i) the period over which premiums are payable under the policy is or could be lengthened, or
 - (ii) the total amount of the premiums payable under the policy in any relevant period is or could be increased,

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- or both;
- (c) the assignment on or after 6 April 2013 of any rights, or any share in any rights, under a policy where the assignment falls within paragraph B2(3)(c) to (g) or (5) below;
 - (d) a deceased beneficiary event on or after 6 April 2013;
 - (e) the conditions in paragraph 24(3) below being fulfilled for the first time in respect of a new non-resident policy where—
 - (i) the conditions are fulfilled for the first time on or after 6 April 2013, and
 - (ii) but for the conditions being fulfilled, the policy could not be a qualifying policy because of paragraph 24(2).
- (4) An event does not fall within sub-paragraph (3) if—
- (a) the policy to which the event relates is—
 - (i) a protected policy,
 - (ii) a restricted relief qualifying policy, or
 - (iii) a pure protection policy,
 - (b) the event is the issue of a policy which is a new policy in relation to an earlier policy where—
 - (i) the new policy is issued in substitution for the earlier policy (and not on its maturity), and
 - (ii) the life assured under the new policy is different to the life assured under the earlier policy but that is the only difference to what the position would have been had the earlier policy continued to run,
 - (c) paragraph 20ZA below applies to a policy and the event is the reinstatement or replacement of the policy as mentioned in paragraph 20ZA(4),
 - (d) the event is the issue or variation of a policy in relation to which paragraph 29 of Schedule 39 to the Finance Act 2012 applies, or
 - (e) the event is an assignment falling within paragraph B2(3)(e) below where the assignment is a mortgage endowment assignment.
- (5) In sub-paragraph (3)(b)(ii) “relevant period” means any period of 12 months beginning at or after the time of the variation.
- (6) A variation is to be ignored for the purposes of sub-paragraph (3)(b) if its effect is nullified before the end of the period of 3 months after the day on which the variation occurs.
- (7) Sub-paragraph (4)(a)(i) does not apply in the case of an event mentioned in sub-paragraph (3)(e).
- (8) Sub-paragraph (4)(a)(ii) does not apply in the case of—
- (a) an event mentioned in sub-paragraph (3)(c) or (d) occurring in relation to a restricted relief qualifying policy (“the assigned policy”),
 - (b) any subsequent event relating to the assigned policy, or
 - (c) any event relating to—
 - (i) a later policy which is a new policy in relation to the assigned policy, or
 - (ii) any policy which is a new policy in relation to the later policy, and so on.

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- (9) In the case of an event mentioned in sub-paragraph (3)(b), sub-paragraph (4)(a)(iii) applies only if the policy is a pure protection policy both before and after the variation.
- (10) This paragraph is to be applied after all other provisions of this Schedule relevant to the question of whether a policy is a qualifying policy after an event have been applied.

Restricted relief qualifying policies

- A2 (1) Sub-paragraph (2) applies if—
- (a) an event falling within sub-paragraph (3) occurs,
 - (b) the policy to which the event relates is a qualifying policy after the event, and
 - (c) an individual who is a beneficiary under that policy is in breach of the premium limit for qualifying policies.
- (2) That policy is to be a restricted relief qualifying policy after the event.
- (3) The events falling within this sub-paragraph are—
- (a) a premium limit event in relation to a protected policy on or after 21 March 2012;
 - (b) the issue of a policy as mentioned in paragraph A4(2)(b) below if, assuming that the substitution of the protected policy were instead a variation of that policy, there would be a premium limit event in relation to that policy;
 - (c) the assignment on or after 6 April 2013 of any rights, or any share in any rights, under a protected policy where the assignment falls within paragraph B2(3)(c) to (g) or (5) below;
 - (d) a deceased beneficiary event on or after 6 April 2013 where the policy in question is a protected policy;
 - (e) the issue of a policy in respect of an insurance made on or after 21 March 2012 but before 6 April 2013 otherwise than as mentioned in paragraph A4(2)(b) below;
 - (f) the variation of a policy, other than a protected policy, on or after 21 March 2012 but before 6 April 2013 where as a result of the variation—
 - (i) the period over which premiums are payable under the policy is or could be lengthened, or
 - (ii) the total amount of the premiums payable under the policy in any relevant period is or could be increased,or both;
 - (g) the conditions in either sub-paragraph (3) or sub-paragraph (4) of paragraph 24 below being fulfilled for the first time in respect of a new non-resident policy where—
 - (i) the conditions are fulfilled for the first time on or after 21 March 2012 but before 6 April 2013, and
 - (ii) but for the conditions being fulfilled, the policy could not be a qualifying policy because of sub-paragraph (2) of paragraph 24.
- (4) An event does not fall within sub-paragraph (3) if—
- (a) the policy to which the event relates is a pure protection policy,
 - (b) the event is the issue of a policy which is a new policy in relation to an earlier policy where—

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- (i) the new policy is issued in substitution for the earlier policy (and not on its maturity), and
 - (ii) the life assured under the new policy is different to the life assured under the earlier policy but that is the only difference to what the position would have been had the earlier policy continued to run,
 - (c) paragraph 20ZA below applies to a policy and the event is the reinstatement or replacement of the policy as mentioned in paragraph 20ZA(4),
 - (d) the event is the issue or variation of a policy in relation to which paragraph 29 of Schedule 39 to the Finance Act 2012 applies, or
 - (e) the event is an assignment falling within paragraph B2(3)(e) below where the assignment is a mortgage endowment assignment.
- (5) In sub-paragraph (3)(f)(ii) “relevant period” means any period of 12 months beginning at or after the time of the variation.
- (6) A premium limit event or a variation is to be ignored for the purposes of sub-paragraph (3)(a) or (f) if its effect is nullified before 6 July 2013.
- (7) In the case of a premium limit event which occurs on or after 6 April 2013, in sub-paragraph (6) the reference to 6 July 2013 is to be read as a reference to the end of the period of 3 months after the day on which the premium limit event occurs.
- (8) In the case of an event mentioned in sub-paragraph (3)(a) or (f), sub-paragraph (4) (a) applies only if the policy is a pure protection policy both before and after the premium limit event or variation.
- (9) A “premium limit event” occurs in relation to a protected policy if—
- (a) the policy is varied or a relevant option is exercised so as to change the terms of the policy, and
 - (b) as a result of the variation or exercise of the relevant option—
 - (i) the period over which premiums are payable under the policy is or could be lengthened, or
 - (ii) the total amount of the premiums payable under the policy in any relevant period is or could be increased,
 or both.
- (10) A “premium limit event” also occurs in relation to a protected policy if on or after 6 April 2013—
- (a) the policy is varied or a relevant option is exercised so as to change the terms of the policy, and
 - (b) as a result of the variation or exercise of the relevant option—
 - (i) the period over which premiums are payable under the policy is or could be shortened, or
 - (ii) the total amount of the premiums payable under the policy in any relevant period is or could be decreased,
 or both.
- (11) In sub-paragraphs (9)(b)(ii) and (10)(b)(ii) “relevant period” means any period of 12 months beginning at or after the time of the variation or exercise of the relevant option.
- (12) The variation of, or exercise of a relevant option under, a protected policy is not a premium limit event in relation to the policy if—

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- (a) the policy secures a capital sum payable either—
 - (i) on survival for a specified term, or
 - (ii) on earlier death or on earlier death or disability,
 - (b) the policy is issued and maintained for the sole purpose of ensuring that the borrower under an interest-only mortgage will have sufficient funds to repay the principal lent under the mortgage, and
 - (c) the policy is varied, or the relevant option is exercised, for that sole purpose.
- (13) In sub-paragraph (3)(g) references to paragraph 24 below are to that paragraph as it has effect before the appointed date for the purposes of section 55 of the Finance Act 1995.
- (14) A qualifying policy which is a new policy in relation to an earlier policy is a restricted relief qualifying policy if the earlier policy is a restricted relief qualifying policy.
- (15) A policy which is a restricted relief qualifying policy remains a restricted relief qualifying policy so long as it is a qualifying policy.
- (16) Paragraph A1 above is to be ignored in determining for the purposes of sub-paragraph (14) or (15) if a policy is a qualifying policy. This is subject to paragraph A1(8).
- (17) For further provision about restricted relief qualifying policies, see sections 463A to 463D of ITTOIA 2005.

The premium limit for qualifying policies

- A3 (1) For the purposes of paragraphs A1(1)(c) and A2(1)(c) above an individual is in breach of the premium limit for qualifying policies if the total amount of the premiums payable under relevant policies in any relevant period—
- (a) exceeds £3,600, or
 - (b) could exceed £3,600 as a result of—
 - (i) the exercise of any one or more relevant options conferred by one or more relevant policies, or
 - (ii) so far as not covered by sub-paragraph (i), the application of one or more terms of one or more relevant policies relating to increases in premiums.
- (2) For the purposes of sub-paragraph (1)—
- (a) so much of a premium payable under a relevant policy as is charged on the grounds that an exceptional risk of death or disability is involved is to be left out of account in determining the premiums payable under the policy,
 - (b) so much of the first premium payable under a relevant policy the liability for the payment of which—
 - (i) is discharged in accordance with paragraph 15(2) below, or
 - (ii) in the case of a policy in relation to which paragraph 3 below applies, is discharged under a provision of the policy falling within paragraph 3(4)(c),is to be left out of account in determining the premiums payable under the policy (subject to sub-paragraph (3) below),

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- (c) in determining the premiums payable under a relevant policy any provision for the waiver of premiums by reason of a person's disability is to be ignored, and
 - (d) “relevant period” means any period of 12 months beginning at or after the time when the event falling within paragraph A1(3) or A2(3) above (“the relevant event”) occurs.
- (3) The maximum amount that may be left out of account under sub-paragraph (2)(b) in the case of a relevant policy is—

$$£3,600 \times N$$

where N is the number of complete years for which ran—

- a the other policy involved, or
 - b if there is more than one other policy involved, the policy which ran for the most number of complete years.
- (4) For the purposes of this paragraph the following are “relevant policies”—
- (a) the policy to which the relevant event relates, and
 - (b) any other policy—
 - (i) which is a qualifying policy, and
 - (ii) under which the individual is a beneficiary.
- (5) But neither a protected policy nor a pure protection policy is to be a relevant policy by virtue of sub-paragraph (4)(b).
- (6) Sub-paragraph (7) applies if this paragraph is to be applied in the case of an individual in consequence of two or more events occurring at the same time (including where one or more of the events falls within paragraph A1(3) above and one or more of the events falls within paragraph A2(3) above).
- (7) For the purpose of applying this paragraph in the case of the individual in consequence of any of the events, sub-paragraph (4)(a) has effect as if the reference to the policy to which the relevant event relates were a reference to all the policies to which the events, taken together, relate.
- (8) But sub-paragraph (7) does not apply, and sub-paragraph (9) applies instead, if—
- (a) all the policies in question are policies issued by the same issuer, and
 - (b) each of them has a unique identifier in a series of unique identifiers which the issuer gives to policies issued by it.
- (9) For the purpose of applying this paragraph in the case of the individual in consequence of any of the events, an event relating to a policy (“policy A”) is treated as occurring before an event relating to another policy (“policy B”) if, in the issuer's series of unique identifiers, policy A's unique identifier comes before policy B's unique identifier.

Protected policies

- A4 (1) This paragraph applies for the purposes of this Part of this Schedule.

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- (2) A policy is “protected” if—
- (a) it is issued in respect of an insurance made before 21 March 2012, or
 - (b) it is issued in respect of an insurance made on or after 21 March 2012 where—
 - (i) it is a new policy in relation to an earlier policy,
 - (ii) it is issued in substitution for the earlier policy (and not on its maturity), and
 - (iii) the earlier policy is a protected policy (whether by virtue of paragraph (a) or this paragraph).
- (3) A policy which is protected ceases to be protected if it becomes a restricted relief qualifying policy.
- (4) A policy issued as mentioned in sub-paragraph (2)(b) is not protected if—
- (a) its issue is an event falling within paragraph A2(3) above, and
 - (b) after that event it is a restricted relief qualifying policy.

How to determine if an individual is a beneficiary under a policy

- A5 (1) This paragraph applies for the purposes of this Part of this Schedule in determining if an individual is a beneficiary under a policy.
- (2) An individual is a beneficiary under a policy if the individual beneficially owns—
- (a) any rights under the policy, or
 - (b) any share in any rights under the policy.
- (3) An individual is a beneficiary under a policy if—
- (a) any rights under the policy are, or any share in any rights under the policy is, held on non-charitable trusts created by the individual, and
 - (b) those rights are, or that share is, not beneficially owned by any individual.
- (4) The following provisions of ITTOIA 2005 apply for the purposes of sub-paragraph (3)(a)—
- (a) section 465(6), and
 - (b) the definition of “non-charitable trust” in section 545(1).
- (5) An individual is a beneficiary under a policy if—
- (a) any rights under the policy are, or any share in any rights under the policy is, held as security for a debt of the individual, and
 - (b) those rights are, or that share is, not beneficially owned by any individual.

Further definitions

- A6 (1) In this Part of this Schedule—
- (a) “new policy” has the meaning given in paragraph 17 below,
 - (b) references to the variation of a policy are to a variation in relation to which paragraph 18 below applies,
 - (c) “pure protection policy” means a policy—
 - (i) which has no surrender value and is not capable of acquiring a surrender value, or

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- (ii) under which the benefits payable cannot exceed the amount of the premiums paid except on death or in respect of disability, and
 - (d) “relevant option”, in relation to a policy, means an option conferred by the policy on the person to whom it is issued to have another policy substituted for it or to have any of its terms changed.
- (2) For the purposes of this Part of this Schedule a “deceased beneficiary event” occurs if, in connection with the death of an individual (“D”) who was a beneficiary under a policy, an individual (“B”) becomes a beneficiary under that policy by reference (wholly or partly) to any rights, or to any share in any rights, by reference to which D was a beneficiary (wholly or partly).

For this purpose, it does not matter if B is already a beneficiary under the policy.

- (3) For the purposes of this Part of this Schedule an assignment is a “mortgage endowment assignment” if—
- (a) the policy to which the assignment relates secures a capital sum payable either—
 - (i) on survival for a specified term, or
 - (ii) on earlier death or on earlier death or disability,
 - (b) the policy is issued and maintained for the sole purpose of ensuring that the borrower under an interest-only mortgage will have sufficient funds to repay the principal lent under the mortgage, and
 - (c) when the assignment occurs, it is intended that the policy will continue to be maintained for that sole purpose.]

PART I

QUALIFYING CONDITIONS

[^{F3095}RULES FOR QUALIFYING POLICIES

Textual Amendments

F3095Sch. 15 paras. B1-B3, cross-headings and preceding heading inserted (17.7.2013) by Finance Act 2013 (c. 29), Sch. 9 para. 3

Rights to be beneficially owned by individuals only

- B1 (1) Sub-paragraph (2) applies in relation to a policy issued in respect of an insurance made on or after 6 April 2013.
- (2) In order for the policy to be a qualifying policy, when it is issued all the rights under it must be beneficially owned by (and only by)—
- (a) one individual, or
 - (b) two or more individuals taken together.
- (This is the case notwithstanding any other provision of this Schedule.)
- (3) Sub-paragraph (2) does not apply if the policy is protected.

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- (4) A policy is “protected” if it is a new policy (as defined in paragraph 17 below) in relation to—
- (a) a policy issued in respect of an insurance made before 21 March 2012, or
 - (b) a policy which is protected (whether by virtue of paragraph (a) or this paragraph).

Assignments

- B2 (1) Sub-paragraph (2) applies if any rights under a qualifying policy are, or any share in any rights under a qualifying policy is, assigned on or after 6 April 2013.
- (2) The policy is not to be a qualifying policy after the assignment (notwithstanding any other provision of this Schedule).
- (3) Sub-paragraph (2) does not apply if—
- (a) the assignment is from an individual by way of security for a debt of the individual,
 - (b) the assignment is to an individual on the discharge of a debt of the individual secured by the rights or share,
 - (c) the assignment is from an individual to the individual's spouse or civil partner,
 - (d) the assignment is to an individual in pursuance of an order made by a court,
 - (e) the assignment is to an individual in pursuance of a legally enforceable obligation relating to a divorce or the dissolution of a civil partnership,
 - (f) the assignment is from an individual and, as a result of the assignment, the rights assigned are, or the share assigned is, held on trusts created by the individual,
 - (g) the assignment is to an individual and, as a result of the assignment, the rights assigned are, or the share assigned is, no longer held on trusts, or
 - (h) the assignment—
 - (i) is to the personal representatives of a deceased individual, or
 - (ii) is to an individual where, as a result of the assignment, a deceased beneficiary event (see paragraph A6(2) above) occurs.
- (4) Section 465(6) of ITTOIA 2005 applies for the purposes of sub-paragraph (3)(f).
- (5) The Commissioners for Her Majesty's Revenue and Customs may by regulations provide that sub-paragraph (2) does not apply if prescribed conditions are met in relation to the assignment.
- “Prescribed” means prescribed by the regulations.
- (6) Regulations under sub-paragraph (5) may—
- (a) make different provision for different cases or circumstances, and
 - (b) contain incidental, supplementary, consequential, transitional, transitory or saving provision.
- (7) See paragraphs A1 and A2 above which may apply in consequence of an assignment falling within sub-paragraph (3) or (5).

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Required statements

- B3 (1) Sub-paragraph (2) applies if any of the following events occurs—
- (a) the issue of a policy in respect of an insurance made on or after 6 April 2013;
 - (b) the variation of a policy on or after 6 April 2013 where paragraph 18 below applies in relation to the variation and as a result of the variation—
 - (i) the period over which premiums are payable under the policy is or could be lengthened, or
 - (ii) the total amount of the premiums payable under the policy in any relevant period is or could be increased,
 or both;
 - (c) a premium limit event in relation to a protected policy on or after 6 April 2013 (see paragraph A2(9) to (12) above);
 - (d) an event on or after 6 April 2013 which would be a premium limit event in relation to a protected policy but for paragraph A2(12) above;
 - (e) the assignment on or after 6 April 2013 of any rights, or any share in any rights, under a policy where the assignment falls within paragraph B2(3)(c) to (g) or (5) above;
 - (f) a deceased beneficiary event (see paragraph A6(2) above) on or after 6 April 2013;
 - (g) the conditions in paragraph 24(3) below being fulfilled for the first time in respect of a new non-resident policy where—
 - (i) the conditions are fulfilled for the first time on or after 6 April 2013, and
 - (ii) but for the conditions being fulfilled, the policy could not be a qualifying policy because of paragraph 24(2).
- (2) Each individual who is a beneficiary under the policy must, before the end of the statement period, make to the issuer of the policy a statement dealing with the prescribed matters.
- (3) If an individual does not comply with sub-paragraph (2) the policy is not to be a qualifying policy after the event (notwithstanding any other provision of this Schedule).
- (4) In sub-paragraph (1)(b)(ii) “relevant period” means any period of 12 months beginning at or after the time of the variation.
- (5) Sub-paragraph (2)—
- (a) does not apply in the case of an event mentioned in sub-paragraph (1)(a), (e), (f) or (g) if the policy is a pure protection policy, and
 - (b) does not apply in the case of an event mentioned in sub-paragraph (1)(b), (c) or (d) if the policy is a pure protection policy both before and after the event.
- “Pure protection policy” has the meaning given by paragraph A6(1)(c) above.
- (6) Sub-paragraph (2) does not apply in the case of an event mentioned in sub-paragraph (1)(e) where the assignment falls within paragraph B2(3)(e) above and is a mortgage endowment assignment.
- “Mortgage endowment assignment” is to be read in accordance with paragraph A6(3) above.

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(7) The Commissioners for Her Majesty's Revenue and Customs may by regulations provide that an individual is not required to comply with sub-paragraph (2) if prescribed conditions are met.

“Prescribed” means prescribed by the regulations.

(8) Accordingly, if by virtue of regulations under sub-paragraph (7) an individual is not required to comply with sub-paragraph (2), sub-paragraph (3) does not apply because that individual does not comply with sub-paragraph (2).

(9) In sub-paragraph (2)—

(a) the reference to an individual who is a beneficiary under the policy is to be read in accordance with paragraph A5 above,

(b) “the statement period” means—

(i) the period of 3 months after the day on which the event occurs, or

(ii) if the event occurs before the day on which the first regulations under paragraph (c) below come into force, the period of 3 months after that day,

or such longer period as an officer of Revenue and Customs may allow, and

(c) “prescribed” means prescribed by regulations made by the Commissioners for Her Majesty's Revenue and Customs.

(10) An officer of Revenue and Customs may allow a longer period for the purposes of sub-paragraph (9)(b) only if—

(a) the individual in question has made a request in writing to an officer of Revenue and Customs for a longer period to be allowed, and

(b) such an officer is satisfied—

(i) that there is a reasonable excuse for the required statement not having been made within the period mentioned in sub-paragraph (9)(b)(i) or (ii), and

(ii) that the request under paragraph (a) was made without unreasonable delay after the reasonable excuse ceased.

(11) Sub-paragraph (12) applies in relation to a policy if the obligations under the policy of its issuer are at any time the obligations of another person (“the transferee”) to whom there has been a transfer of the whole or any part of a business previously carried on by the issuer.

(12) In relation to that time, in sub-paragraph (2) the reference to the issuer of the policy is to be read as a reference to the transferee.

(13) Regulations under sub-paragraph (7) or (9)(c) may—

(a) make different provision for different cases or circumstances, and

(b) contain incidental, supplementary, consequential, transitional, transitory or saving provision.]

GENERAL RULES APPLICABLE TO WHOLE LIFE AND TERM ASSURANCES

1 (1) ^{M214} Subject to the following provisions of this Part of this Schedule, if a policy secures a capital sum which is payable only on death, or one payable either on death or on earlier disability, it is a qualifying policy if—

(a) it satisfies the conditions appropriate to it under sub-paragraphs (2) to (5) below, and

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- (b) except to the extent permitted by sub-paragraph (7) below, it does not secure any other benefits.
- (2) If the capital sum referred to in sub-paragraph (1) above is payable whenever the event in question happens, or if it happens at any time during the life of a specified person—
- (a) the premiums under the policy must be payable at yearly or shorter intervals, and either—
 - (i) until the happening of the event or, as the case may require, until the happening of the event or the earlier death of the specified person, or
 - (ii) until the time referred to in sub-paragraph (i) above or the earlier expiry of a specified period ending not earlier than ten years after the making of the insurance; and
 - (b) the total premiums payable in any period of 12 months must not exceed—
 - (i) twice the amount of the total premiums payable in any other such period, or
 - (ii) one-eighth of the total premiums which would be payable if the policy were to continue in force for a period of ten years from the making of the insurance, or, in a case falling within sub-paragraph (ii) of paragraph (a) above, until the end of the period referred to in that sub-paragraph.
- (3) If the capital sum referred to in sub-paragraph (1) above is payable only if the event in question happens before the expiry of a specified term ending more than ten years after the making of the insurance, or only if it happens both before the expiry of such a term and during the life of a specified person—
- (a) the premiums under the policy must be payable at yearly or shorter intervals, and either—
 - (i) until the happening of the event or the earlier expiry of that term or, as the case may require, until the happening of the event or, if earlier, the expiry of the term or the death of the specified person, or
 - (ii) as in sub-paragraph (i) above, but with the substitution for references to the term of references to a specified shorter period being one ending not earlier than ten years after the making of the insurance or, if sooner, the expiry of three-quarters of that term; and
 - (b) the total premiums payable in any period of 12 months must not exceed—
 - (i) twice the amount of the total premiums payable in any other such period, or
 - (ii) one-eighth of the total premiums which would be payable if the policy were to continue in force for the term referred to in sub-paragraph (i) of paragraph (a) above, or, as the case may require, for the shorter period referred to in sub-paragraph (ii) of that paragraph.
- (4) If the capital sum referred to in sub-paragraph (1) above is payable only if the event in question happens before the expiry of a specified term ending not more than ten years after the making of the insurance, or only if it happens both before the expiry of such a term and during the life of a specified person, the policy must provide that any payment made by reason of its surrender during the period is not to exceed the total premiums previously paid under the policy.
- (5) Except where—
- (a) the capital sum referred to in sub-paragraph (1) above is payable only in the circumstances mentioned in sub-paragraph (3) or (4) above; and

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- (b) the policy does not provide for any payment on the surrender in whole or in part of the rights conferred by it; and
- (c) the specified term mentioned in sub-paragraph (3) or, as the case may be, (4) above ends at or before the time when the person whose life is insured attains the age of 75 years;

the capital sum, so far as payable on death, must not be less than 75 per cent. of the total premiums that would be payable if the death occurred at the age of 75 years, the age being, if the sum is payable on the death of the first to die of two persons, that of the older of them, if on the death of the survivor of them, that of the younger of them, and in any other case, that of the person on whose death it is payable; and if the policy does not secure a capital sum in the event of death occurring before the age of 16 or some lower age, it must not provide for the payment in that event of an amount exceeding the total premiums previously paid under it.

- (6) ^{M215} In determining for the purposes of sub-paragraph (5) above whether a capital sum is less than 75 per cent. of the total premiums, any amount included in the premiums by reason of their being payable otherwise than annually shall be disregarded, [^{F3096}and if the policy provides for payment otherwise than annually without providing for the amount of the premiums if they are paid annually,] 10 per cent. of the premiums payable under the policy shall be treated as so included.
- (7) ^{M216} Notwithstanding sub-paragraph (1)(b) above, if a policy secures a capital sum payable only on death, it may also secure benefits (including benefits of a capital nature) to be provided in the event of a person's disability; and no policy is to be regarded for the purposes of that provision as securing other benefits by reason only of the fact that—
 - (a) it confers a right to participate in profits, or
 - (b) it provides for a payment on the surrender in whole or in part of the rights conferred by the policy, or
 - (c) it gives an option to receive payments by way of annuity, or
 - (d) it makes provision for the waiver of premiums by reason of a person's disability, or for the effecting of a further insurance or insurances without the production of evidence of insurability.
- (8) In applying sub-paragraph (2) or (3) above to any policy—
 - (a) no account shall be taken of any provision for the waiver of premiums by reason of a person's disability, and
 - (b) if the term of the policy runs from a date earlier, but not more than three months earlier, than the making of the insurance, the insurance shall be treated as having been made on that date, and any premium paid in respect of the period before the making of the insurance, or in respect of that period and a subsequent period, as having been payable on that date.
- (9) References in this paragraph to a capital sum payable on any event include references to any capital sum, or series of capital sums, payable by reason of that event but where what is so payable is either an amount consisting of one sum or an amount made up of two or more sums, the 75 per cent. mentioned in sub-paragraph (5) above shall be compared with the smaller or smallest amount so payable; and a policy secures a capital sum payable either on death or on disability notwithstanding that the amount payable may vary with the event.

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- (10) ^{M217} In relation to any policy issued in respect of an insurance made before 1st April 1976 this paragraph shall have effect—
- (a) with the omission of sub-paragraphs (5) and (6) and in sub-paragraph (9) the words “but where what is so payable is either an amount consisting of one sum or an amount made up of two or more sums, the 75 per cent. mentioned in sub-paragraph (5) above shall be compared with the smaller or smallest amount so payable”; and
 - (b) with the substitution, for sub-paragraph (7)(b), of—
“(b) it carries a guaranteed surrender value;”.

Textual Amendments

F3096 Words in Sch. 15 para. 1(6) substituted (with effect as mentioned in s. 167(12) of the amending Act) by Finance Act 1996 (c. 8), s. 167(7)(a); S.I. 2001/3643, art. 2(a)

Marginal Citations

M214 Source—1970 Sch.1 1(1)-(4A); 1975 Sch.2 4(2), (3)
M215 Source—1975 Sch.2 4(4)
M216 Source—1970 Sch.1 1(5)-(7); 1975 Sch.2 4(5), (6)
M217 Source—1975 Sch.2 4(1)

GENERAL RULES APPLICABLE TO ENDOWMENT ASSURANCES

- 2 (1) ^{M218} Subject to the following provisions of this Part of this Schedule, a policy which secures a capital sum payable either on survival for a specified term or on earlier death, or earlier death or disability, including a policy securing the sum on death only if occurring after the attainment of a specified age not exceeding 16, is a qualifying policy if it satisfies the following conditions—
- (a) the term must be one ending not earlier than ten years after the making of the insurance;
 - (b) premiums must be payable under the policy at yearly or shorter intervals, and—
 - (i) until the happening of the event in question; or
 - (ii) until the happening of that event, or the earlier expiry of a specified period shorter than the term but also ending not earlier than ten years after the making of the insurance; or
 - (iii) if the policy is to lapse on the death of a specified person, until one of those times or the policy’s earlier lapse;
 - (c) the total premiums payable under the policy in any period of 12 months must not exceed—
 - (i) twice the amount of the total premiums payable in any other such period, or
 - (ii) one-eighth of the total premiums which would be payable if the policy were to run for the specified term;
 - (d) the policy—
 - (i) must guarantee that the capital sum payable on death, or on death occurring after the attainment of a specified age not exceeding 16, will, whenever that event may happen, be equal to 75 per cent. at least of the total premiums which would be payable if the policy

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- were to run for that term, disregarding any amounts included in those premiums by reason of their being payable otherwise than annually, except that if, at the beginning of that term, the age of the person concerned exceeds 55 years, the capital sum so guaranteed may, for each year of the excess, be less by 2 per cent. of that total than 75 per cent. thereof, the person concerned being, if the capital sum is payable on the death of the first to die of two persons, the older of them, if on the death of the survivor of them, the younger of them and in any other case the person on whose death it is payable; and
- (ii) if it is a policy which does not secure a capital sum in the event of death before the attainment of a specified age not exceeding 16, must not provide for the payment in that event of an amount exceeding the total premiums previously paid thereunder; and
- (e) the policy must not secure the provision (except by surrender in whole or in part of the rights conferred by the policy) at any time before the happening of the event in question of any benefit of a capital nature other than a payment falling within paragraph (d)(ii) above, or benefits attributable to a right to participate in profits or arising by reason of a person's disability.
- (2) For the purposes of sub-paragraph (1)(d)(i) above, 10 per cent. of the premiums payable under any policy [F3097 that provides for the payment of premiums otherwise than annually without providing for the amount of the premiums if they are paid annually,] shall be treated as attributable to the fact that they are not paid annually.
- (3) Sub-paragraphs (8) and (9) of paragraph 1 above shall, with any necessary modifications, have effect for the purposes of this paragraph as they have effect for the purposes of that paragraph.
- (4) M219 In relation to any policy issued in respect of an insurance made before 1st April 1976 this paragraph shall have effect with the omission in sub-paragraph (1)(d)(i) of the words from “except that if” to the end, and in sub-paragraph (1)(e) of the words “in whole or in part of the rights conferred by the policy”.

Textual Amendments

F3097 Words in Sch. 15 para. 2(2) substituted (with effect as mentioned in s. 167(12) of the amending Act) by Finance Act 1996 (c. 8), s. 167(7)(b); S.I. 2001/3643, art. 2(a)

Marginal Citations

M218 Source—1970 Sch.1 2; 1975 Sch.2 4(7), (8)

M219 Source—1975 Sch.2 4(1)

SPECIAL TYPES OF POLICY

(i) Friendly Society policies

- 3 (1) M220 Paragraphs 1 and 2 above do not apply to a policy issued by a [F3098 friendly society] in the course of [F3099 exempt BLAGAB or eligible PHI business] in respect of an insurance made or varied on or after 19th March 1985, but such a policy shall not be a qualifying policy unless—
- (a) in the case of a policy for the assurance of a gross sum or annuity, the conditions in sub-paragraph (2) are fulfilled with respect to it; and

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- (b) in the case of a policy for the assurance of a gross sum, the conditions in sub-paragraphs (5) to (11) below are fulfilled with respect to it; ^{F3100} . . .
- ^{F3100}(c)
- (2) The conditions referred to in sub-paragraph (1) above are as follows—
 - (a) subject to sub-paragraph (3) below, the period (the “term” of the policy) between—
 - (i) the making of the insurance or, where the contract provides for the term to begin on a date not more than three months earlier than the making of the insurance, that date, and
 - (ii) the time when the gross sum assured is payable (or, as the case may be, when the first instalment of the annuity is payable),
 shall be not less than ten years, and must not, on any contingency other than the death, or retirement on grounds of ill health, of the person liable to pay the premiums or whose life is insured, become less than ten years;
 - (b) subject to sub-paragraph (4) below, the premiums payable under the policy shall be premiums of equal or rateable amounts payable at yearly or shorter intervals over the whole term of the policy of assurance, or over the whole term of the policy of assurance apart from any period after the person liable to pay the premiums or whose life is insured attains a specified age, being an age which he will attain at a time not less than ten years after the beginning of the term of the policy of assurance;
 - ^{F3101}(c)
- (3) Notwithstanding sub-paragraph (2)(a) above, the policy—
 - (a) may provide for a payment to a person of an age not exceeding 18 years at any time not less than five years from the beginning of the term of the policy if the premium or premiums payable in any period of 12 months in the term of the policy do not exceed £13;
 - (b) may provide for a payment at any time not less than five years from the beginning of the term of the policy, if it is one of a series of payments falling due at intervals of not less than five years, and the amount of any payment, other than the final payment, does not exceed four-fifths of the premiums paid in the interval before its payment.

For the purposes of paragraph (a) above, if the term begins on a date earlier than the making of the insurance, any premium paid in respect of a period before the making of the insurance, or in respect of that period and a subsequent period, shall be treated as having been payable on that date.

- (4) Notwithstanding sub-paragraph (2)(b) above, the policy—
 - (a) may allow a payment at any time after the expiration of one-half of the term of the policy of assurance, or of ten years from the beginning of the term, whichever is the earlier, being a payment in commutation of the liability to pay premiums falling due after that time;
 - (b) may allow the person liable to pay the premiums to commute any liability for premiums where he ceases to reside in the United Kingdom or gives satisfactory proof of intention to emigrate;
 - (c) may allow any liability for premiums to be discharged in consideration of surrendering a sum which has become payable on the maturity of any other policy of assurance issued by the same friendly society [^{F3102}(or any

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predecessor of it)] to the person liable to pay the premiums, or to his parent, where that other policy of assurance is issued as part of the friendly society's [^{F3099}exempt BLAGAB or eligible PHI business]; and

- (d) may make provision for the waiver of premiums by reason of a person's disability.

[^{F3103}(4A) For the purposes of sub-paragraphs (2) and (4) above—

- (a) a friendly society formed on the amalgamation of two or more friendly societies is the successor of each of those societies (and each of those societies was a predecessor of the society so formed), and
- (b) an incorporated friendly society that was a registered friendly society before its incorporation is the successor of the registered friendly society (and the registered friendly society was the predecessor of the incorporated friendly society).]

(5) Where the policy secures a capital sum which is payable only on death or only on death occurring after the attainment of a specified age not exceeding 16, that capital sum must be not less than 75 per cent. of the total premiums which would be payable if the death of the relevant beneficiary occurred at the age of 75.

(6) Where the policy secures a capital sum which is payable only on survival for a specified term, that capital sum must be not less than 75 per cent. of the total premiums which would be payable if the policy were to run for that term.

(7) Where the policy secures a capital sum which is payable on survival for a specified term or on earlier death, or on earlier death or disability (including a policy securing the sum on death only if occurring after the attainment of a specified age not exceeding 16), the capital sum payable on death, whenever that event occurs, must be not less than 75 per cent. of the total premiums which would be payable if the policy were to run for that term, except that if, at the beginning of that term, the age of the relevant beneficiary exceeds 55, that capital sum may, for each year of the excess, be less by 2 per cent. of that total than 75 per cent. thereof.

(8) For the purposes of sub-paragraphs (5) to (7) above—

- (a) “the relevant beneficiary” means—
- (i) if the capital sum concerned is payable on the death of the first to die of two persons, the older of them;
- (ii) if that capital sum is payable on the death of the survivor of two persons, the younger of them; and
- (iii) in any other case, the person on whose death that capital sum is payable; and
- (b) in determining the total premiums payable in any circumstances—
- (i) where those premiums are payable otherwise than annually, and the policy is issued by [^{F3104}a society other than an old society], there shall be disregarded an amount equal to 10 per cent. of those premiums;
- (ii) where the policy is issued by [^{F3105}an old society], there shall be disregarded an amount equal to £10 for each year for which account is taken of those premiums [^{F3106}or, where those premiums are payable otherwise than annually, an amount equal to 10 per cent. of those premiums if that is greater]; ^{F3107} . . .
- (iii) ^{F3107}

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(c) F3107

- (9) If the policy does not secure a capital sum in the event of death occurring before the age of 16 or some lower age, it must not provide for the payment in that event of an amount exceeding the total premiums previously paid under it.
- (10) References in this paragraph to a capital sum payable on any event include references to a capital sum or series of capital sums payable by reason of that event, but where what is so payable is either an amount consisting of one sum or an amount made up of two or more sums, any reference in sub-paragraphs (5) to (7) above to 75 per cent. of the total premiums payable in any circumstances shall be compared with the smaller or smallest amount so payable; and for the purposes of those sub-paragraphs a policy secures a capital sum payable either on death or on disability notwithstanding that the amount may vary with the event.
- (11) For the purposes of sub-paragraphs (5) to (7) and (10) above, in the case of a policy which provides for any such payments as are referred to in sub-paragraph (3) above (“interim payments”), the amount of the capital sum which is payable on any event shall be taken to be increased—
- (a) in the case of a policy which secures such a capital sum as is referred to in sub-paragraph (5) above, by the total of the interim payments which would be payable if the death of the relevant beneficiary (within the meaning of that sub-paragraph) occurred at the age of 75; and
 - (b) in the case of a policy which secures such a capital sum as is referred to in sub-paragraph (6) or (7) above, by the total of the interim payments which would be payable if the policy were to run for the specified term referred to in that sub-paragraph.

Textual Amendments

- F3098** Words in Sch. 15 para. 3(1) substituted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, **Sch. 9 para. 19(2)**; S.I. 1993/236, **art.2**
- F3099** Words in Sch. 15 para. 3(1)(4)(c) substituted (with effect in accordance with s. 178 of the amending Act) by Finance Act 2012 (c. 14), **Sch. 18 para. 13(2)(a)**
- F3100** Sch. 15 para. 3(1)(c) and word preceding it repealed by Finance Act 1991 (c. 31, SIF 63:1), ss. 50, 123, Sch. 9 para. 4(1)(2), **Sch. 19 Pt. V**, Note 7
- F3101** Sch. 15 para. 3(2)(c) repealed (1.5.1995) by Finance Act 1995 (c. 4), Sch. 10 para. 3, **Sch. 29 Pt. 8(6)**
- F3102** Words in Sch. 15 para. 3(2)(c)(4)(c) inserted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, **Sch. 9 para. 19(3)(4)**; S.I. 1993/236, **art.2**
- F3103** Sch. 15 para. 3(4A) inserted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, **Sch. 9 para. 19(5)**; S.I. 1993/236, **art.2**
- F3104** Words in Sch. 15 para. 3(8)(b)(i) substituted (with effect in accordance with s. 178 of the amending Act) by Finance Act 2012 (c. 14), **Sch. 18 para. 13(2)(b)**
- F3105** Words in Sch. 15 para. 3(8)(b)(ii) substituted (with effect in accordance with s. 178 of the amending Act) by Finance Act 2012 (c. 14), **Sch. 18 para. 13(2)(c)**
- F3106** Words in Sch. 15 para. 3(8)(b)(ii) inserted by Finance Act 1990 (c. 29), s. 49(5)
- F3107** Sch. 15 para. 3(8)(b)(iii)(c) and word preceding para. (b)(iii) repealed (retrospectively with effect in accordance with s. 172(6) of the repealing Act) by Finance Act 2003 (c. 14), s. 172(3), **Sch. 43 Pt. 3(13)**, Note 3

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Marginal Citations

M220 Source—1970 ss.334(2)–(4), 337(5)(a), Sch.1 3, 3A; 1984 s.72(a); 1985 s.41(4), (6), Sch.10 Pt.I; 1979/1576

- 4 (1) The provisions of this paragraph have effect notwithstanding anything in paragraph 3 above.
- (2) In determining whether a policy—
- (a) which affords provision for sickness or other infirmity (whether bodily or mental), and
 - (b) which also affords assurance for a gross sum independent of sickness or other infirmity, and
 - (c) under which not less than 60 per cent. of the amount of the premiums is attributable to the provision referred to in paragraph (a) above,
- is a qualifying policy, the conditions referred to in paragraph 3(1)(b) above shall be deemed to be fulfilled with respect to it.
- (3) A policy shall cease to be a qualifying policy—
- (a) if it falls within sub-paragraph (1) of paragraph 3 above and there is such a variation of its terms that any of the conditions referred to in that sub-paragraph ceases to be fulfilled; or
 - (b) if—
 - ^{F3108}(i) it was effected in the course of ^{F3109}the business of effecting or carrying out contracts of insurance which fall within paragraph 1 of Part I or paragraph VI of Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001],]
 - (ii) it was issued by ^{F3110}a society other than an old society], and
 - (iii) the rights conferred by it are surrendered in whole or in part.

Textual Amendments

F3108Sch. 15 para. 4(3)(b)(i) substituted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, Sch. 9 paras. 19(6), 22; S.I. 1993/236, art. 2

F3109Words in Sch. 15 para. 4(3)(b)(i) substituted (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), art. 47(2)

F3110Words in Sch. 15 para. 4(3)(b)(ii) substituted (with effect in accordance with s. 178 of the amending Act) by Finance Act 2012 (c. 14), Sch. 18 para. 13(3)

5 ^{F3111}

Textual Amendments

F3111 Sch. 15 para. 5 omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 18 para. 13(4)

- 6 (1) ^{M221} A policy which was issued by ^{F3112}any registered friendly society ^{F3113}. . .], or branch of ^{F3112}such a society], in the course of ^{F3114}exempt BLAGAB or eligible PHI business]^{F3113}. . . in respect of insurances made before 19th March 1985 and which

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has not been varied on or after that date is a qualifying policy notwithstanding that it does not comply with the conditions specified in paragraph 1 or 2 above.

- (2) ^{M222} Notwithstanding paragraphs 3 to 5 or sub-paragraph (1) above, if, on or after 19th March 1985, a person becomes in breach of the limits in [^{F3115}section 160 of the Finance Act 2012], the policy effected by that contract which causes those limits to be exceeded shall not be a qualifying policy; and in any case where—
- (a) the limits in that section are exceeded as a result of the aggregation of the sums assured or premiums payable under two or more contracts, and
 - (b) at a time immediately before one of those contracts was entered into (but not immediately after it was entered into) the sums assured by or, as the case may be, the premiums payable under the contract or contracts which were then in existence did not exceed the limits in that section,
- only those policies effected by contracts made after that time shall be treated as causing the limits to be exceeded.

Textual Amendments

- F3112** Words in Sch. 15 para. 6(1) substituted (19.2.1993) by Finance (No. 2) Act 1992 (c. 48), s. 56, Sch. 9 para. 19(7); S.I. 1993/236, art.2
- F3113** Words in Sch. 15 para. 6(1) omitted (with effect in accordance with s. 178 of the repealing Act) by virtue of Finance Act 2012 (c. 14), Sch. 18 para. 13(5)(a)(i)
- F3114** Words in Sch. 15 para. 6(1) substituted (with effect in accordance with s. 178 of the amending Act) by Finance Act 2012 (c. 14), Sch. 18 para. 13(5)(a)(ii)
- F3115** Words in Sch. 15 para. 6(2) substituted (with effect in accordance with s. 178 of the amending Act) by Finance Act 2012 (c. 14), Sch. 18 para. 13(5)(b)

Marginal Citations

- M221** Source—1970 Sch.1, 3; 1985 s.41(4)
- M222** Source—FSA 1974 s.64(2B); 1985 s.41(1); 1987 s.30(6)

- [^{F3116}6A Any expression—
- (a) which is used in any provision made by any of paragraphs 3 to 6, and
 - (b) which is used in Part 3 of the Finance Act 2012,
- has the same meaning in that provision as it has in that Part.]

Textual Amendments

- F3116** Sch. 15 para. 6A inserted (with effect in accordance with s. 178 of the amending Act) by Finance Act 2012 (c. 14), Sch. 18 para. 13(6)

(ii) Industrial assurance policies

- 7 (1) ^{M223} A policy issued in the course of an industrial assurance business, and not constituting a qualifying policy by virtue of paragraph 1 or 2 above, is nevertheless a qualifying policy if—
- (a) the sums guaranteed by the policy, together with those guaranteed at the time the assurance is made by all other policies issued in the course of such a business to the same person and not constituting qualifying policies apart from this paragraph, do not exceed £1,000;

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- (b) it satisfies the conditions with respect to premiums specified in paragraph 1(2) above;
 - (c) except by reason of death or surrender, no capital sum other than one falling within paragraph (d) below can become payable under the policy earlier than ten years after the making of the assurance; and
 - (d) where the policy provides for the making of a series of payments during its term—
 - (i) the first such payment is due not earlier than five years after the making of the assurance, and the others, except the final payment, at intervals of not less than five years, and
 - (ii) the amount of any payment, other than the final payment, does not exceed four-fifths of the premiums paid in the interval before its payment; or
 - (e) the policy was issued before 6th April 1976, or was issued before 6th April 1979 and is in substantially the same form as policies so issued before 6th April 1976.
- (2) For the purposes of this paragraph, the sums guaranteed by a policy do not include any bonuses, or in the case of a policy providing for a series of payments during its term, any of those payments except the first, or any sum payable on death during the term by reference to one or more of those payments except so far as that sum is referable to the first such payment.

Marginal Citations

M223 Source—1970 Sch.1 4; 1976 Sch.4 12

- 8 ^{M224} Where a policy issued in respect of an insurance made after 1st April 1976 in the course of an industrial assurance business is not a qualifying policy by virtue of paragraph 1 or 2 above but is a policy with respect to which the conditions in paragraph 7(1)(b) and (c) above are satisfied, it shall be a qualifying policy whether or not the condition in paragraph 7(1)(a) above is satisfied with respect to it; but where that condition is not satisfied, relief under section 266 in respect of premiums paid under the policy shall be given only on such amount (if any) as would have been the amount of those premiums had that condition been satisfied.

Marginal Citations

M224 Source—1975 Sch.2 7; 1976 Sch.4 19(4)

- ^{F31178}(1) Paragraphs 7 and 8 above shall have effect in relation to any policy issued on or after the appointed day as if the references to the issue of a policy in the course of an industrial assurance business were references to the issue of a policy by any company in a case in which—
- (a) the company, before that day and in the course of such a business, issued any policy which was a qualifying policy by virtue of either of those paragraphs; and
 - (b) the policies which on 28th November 1995 were being offered by the company as available to be issued included policies of the same description as the policy issued on or after the appointed day.

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- (2) In this paragraph “the appointed day” means such day as the Board may by order appoint.]

Subordinate Legislation Made

P4 Sch. 15 para. 8A power exercised: 1.12.2001 appointed by S.I. 2001/3643, art. 2(c)

Textual Amendments

F3117 Sch. 15 para. 8A inserted (29.4.1996) by Finance Act 1996 (c. 8), s. 167(8)

(iii) Family income policies and mortgage protection

- 9 (1) ^{M225} The following provisions apply to any policy which is not a qualifying policy apart from those provisions, and the benefits secured by which consist of or include the payment on or after a person’s death of—
- (a) one capital sum which does not vary according to the date of death, plus a series of capital sums payable if the death occurs during a specified period, or
 - (b) a capital sum, the amount of which is less if the death occurs in a later part of a specified period than if it occurs in an earlier part of that period.
- (2) A policy falling within sub-paragraph (1)(a) above is a qualifying policy if—
- (a) it would be one if it did not secure the series of capital sums there referred to, and the premiums payable under the policy were such as would be chargeable if that were in fact the case, and
 - (b) it would also be one if it secured only that series of sums, and the premiums thereunder were the balance of those actually so payable.
- (3) A policy falling within sub-paragraph (1)(b) above is a qualifying policy if—
- (a) it would be one if the amount of the capital sum there referred to were equal throughout the period to its smallest amount, and the premiums payable under the policy were such as would be chargeable if that were in fact the case, and
 - (b) it would also be one if it secured only that capital sum so far as it from time to time exceeds its smallest amount, and the premiums payable thereunder were the balance of those actually so payable.

Marginal Citations

M225 Source—1970 Sch.1 5

OTHER SPECIAL PROVISIONS

(i) Short-term assurances

- 10 ^{M226} A policy which secures a capital sum payable only on death or payable either on death or on earlier disability shall not be a qualifying policy if the capital sum is payable only if the event in question happens before the expiry of a specified term ending less than one year after the making of the insurance.

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Marginal Citations

M226 Source—1976 Sch.4 2, 2A; 1978 Sch.3 4; 1982 s.35(1)

(ii) *Personal accident insurance*

- 11 (1) A policy which evidences a contract of insurance to which sub-paragraph (3) below applies shall not be a qualifying policy unless it also evidences [^{F3118}—
- (a) a contract of insurance on human life; or
 - (b) a contract to pay annuities on human life.]
- (2) A policy which evidences a contract of insurance to which sub-paragraph (4) below applies shall not be a qualifying policy unless it also evidences a contract falling within section 83(2)(a) of the ^{M227}Insurance Companies Act 1974.
- (3) This sub-paragraph applies to contracts of insurance issued in respect of insurances made on or after 25th March 1982 against risks of persons dying as a result of an accident or an accident of a specified class, not being contracts which—
- (a) are expressed to be in effect for a period of not less than five years or without limit of time; and
 - (b) either are not expressed to be terminable by the insurer before the expiration of five years from their taking effect or are expressed to be so terminable before the expiration of that period only in special circumstances therein mentioned.
- (4) This sub-paragraph applies to contracts of insurance issued in respect of insurances made before 25th March 1982 against risks of persons dying as a result of an accident or an accident of a specified class, not being contracts falling within section 83(2) (b) of the Insurance Companies Act 1974.

Textual Amendments

F3118 Words in [Sch. 15 para. 11\(1\)](#) substituted (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) \(Taxes\) Order 2001 \(S.I. 2001/3629\)](#), [art. 47\(3\)](#)

Marginal Citations

M227 1974 c. 49.

(iii) *Exceptional [^{F3119}risk of death or disability]*

Textual Amendments

F3119 Words in [Sch. 15 para. 12](#) heading substituted (retrospectively with effect in accordance with [s. 172\(6\)](#) of the amending Act) by [Finance Act 2003 \(c. 14\)](#), [s. 172\(2\)](#)

- 12 ^{M228} For the purpose of determining whether any policy is a qualifying policy, there shall be disregarded—

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- (a) so much of any premium thereunder as is charged on the grounds that an exceptional risk of death [^{F3120}or disability] is involved; and
- (b) any provision under which, on those grounds, any sum may become chargeable as a debt against the capital sum guaranteed by the policy on death [^{F3120}or disability].

Textual Amendments
F3120 Words in Sch. 15 para. 12 inserted (retrospectively with effect in accordance with s. 172(6) of the amending Act) by Finance Act 2003 (c. 14), s. 172(1)

Marginal Citations
M228 Source—1970 Sch.1 6, 7

(iv) Connected policies

- 13 ^{M229} Subject to paragraph 14 below, where the terms of any policy provide that it is to continue in force only so long as another policy does so, neither policy is a qualifying policy unless, if they had constituted together a single policy issued in respect of an insurance made at the time of the insurance in respect of which the first-mentioned policy was issued, that single policy would have been a qualifying policy.

Marginal Citations
M229 Source—1980 s.30; 1984 s.74; 1982 s.35(3)

- 14 (1) A policy shall not be a qualifying policy if the policy is connected with another policy and the terms of either policy provide benefits which are greater than would reasonably be expected if any policy connected with it were disregarded.
- (2) For the purposes of this paragraph a policy is connected with another policy if they are at any time simultaneously in force and either of them is issued with reference to the other, or with a view to enabling the other to be issued on particular terms or facilitating its being issued on those terms.
- (3) In this paragraph “policy” means a policy [^{F3121}evidencing a contract of long-term insurance], and includes any such policy issued outside the United Kingdom.
- [^{F3122}(3A) In sub-paragraph (3) “contract of long-term insurance” means a contract which falls within Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.]
- (4) Where any person issues a policy—
- (a) which by virtue of this paragraph is not a qualifying policy, or
 - (b) the issue of which causes another policy to cease by virtue of this paragraph to be a qualifying policy,
- he shall within three months of issuing the policy give notice of that fact to the Board.
- (5) ^{F3123}

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- (6) This paragraph shall apply to policies issued in respect of insurances made before 23rd August 1983 in accordance with sub-paragraphs (7) and (8) below.
- (7) Where—
- (a) a policy is issued in respect of an insurance made before 23rd August 1983, and
 - (b) a policy is issued in respect of an insurance made on or after that date which is connected with it within the meaning of this paragraph,
- sub-paragraphs (1) to (6) above shall apply to the policy issued in respect of an insurance made before that date.
- (8) Sub-paragraphs (1) to (7) above shall apply to policies issued in respect of insurances made before 23rd August 1983 (other than policies which, disregarding this paragraph, fall within sub-paragraph (7)) with the substitution—
- (a) in sub-paragraph (1) for the words “and the terms of either policy” of the words “ the terms of which ”;
 - (b) in sub-paragraph (3) for the words from “long term business” to “1982” of the words “ ordinary long-term insurance business within the meaning of section 83(2) of the Insurance Companies Act 1974 (as enacted) or, in relation to a policy made after 25th March 1982, section 96(1) of the Insurance Companies Act 1982 ”; and
 - (c) in sub-paragraphs (6) and (7) for the words “23rd August 1983” of the words “ 26th March 1980 ”.
- (9) In any case where payments made—
- (a) after 22nd August 1983, and
 - (b) by way of premium or other consideration in respect of a policy issued in respect of an insurance made before that date,
- exceed £5 in any period of 12 months, the policy shall be treated for the purposes of this paragraph as if it were issued in respect of an insurance made after 22nd August 1983; but nothing in this paragraph shall apply with respect to any premium paid in respect of it before that date.
- (10) Sub-paragraphs (8) and (9) above do not apply in relation to policies issued in the course of industrial assurance business.

Textual Amendments

F3121 Words in Sch. 15 para. 14(3) substituted (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), art. 47(4)

F3122 Sch. 15 para. 14(3A) inserted (1.12.2001 in accordance with art. 1(2)(a) of the amending S.I.) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2001/3629), art. 47(5)

F3123 Sch. 15 para. 14(5) omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 1, Sch. para. 24

(v) Premiums paid out of sums due under previous policies

- 15 (1) ^{M230} Where, in the case of a policy under which a single premium only is payable, liability for the payment of that premium is discharged in accordance with sub-

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paragraph (2) below, the policy is a qualifying policy notwithstanding anything in paragraph 1(2) or (3) or paragraph 2(1)(b) or (c) above; and where, in the case of any other policy, liability for the payment of the first premium thereunder, or of any part of that premium, is so discharged, the premium or part shall be disregarded for the purposes of paragraphs 1(2)(b) and (3)(b) and 2(1)(c) above.

(2) Liability for the payment of a premium is discharged in accordance with this sub-paragraph if it is discharged by the retention by the company with which the insurance is made of the whole or a part of any sum which has become payable on the maturity of, or on the surrender more than ten years after its issue of the rights conferred by, a policy—

- (a) previously issued by the company to the person making the insurance, or, if it is made by trustees, to them or any predecessors in office; or
- (b) issued by the company when the person making the insurance was an infant, and securing a capital sum payable either on a specified date falling not more than one month after his attaining 25, or on the anniversary of the policy immediately following his attainment of that age,

being, unless it is a policy falling within paragraph (b) above and the premium in question is a first premium only, a policy which was itself a qualifying policy, or which would have been a qualifying policy had it been issued in respect of an insurance made after 19th March 1968.

Marginal Citations

M230 Source—1970 Sch.1 8

(vi) *Additional premiums under section 72(9) of the Finance Act 1984*

- 16 M231 In determining whether a policy is a qualifying policy, no account shall be taken of any amount recovered, as if it were an additional premium, in pursuance of section 72(9) of the Finance Act 1984.

Marginal Citations

M231 Source—1984 s.72(9)(a)

(viii) *Substitutions and variations*

- 17 (1) M232 Subject to paragraph 19 below, where one policy (“the new policy”) is issued in substitution for, or on the maturity of and in consequence of an option conferred by, another policy (“the old policy”), the question whether the new policy is a qualifying policy shall, to the extent provided by the rules in sub-paragraph (2) below, be determined by reference to both policies.
- (2) The rules (for the purposes of which, the question whether the old policy was a qualifying policy shall be determined in accordance with this Part of this Schedule, whatever the date of the insurance in respect of which it was issued), are as follows—
- [^{F3124}(za) the new policy cannot be a qualifying policy if the old policy was not a qualifying policy by virtue of—
- (i) paragraph A1(2), B1(2), B2(2) or B3(3) above, or

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- (ii) sub-paragraph (i) above or this sub-paragraph;]
 - (a) if the new policy would apart from this paragraph be a qualifying policy but the old policy was [^{F3125}not [^{F3126}and paragraph (za) above does not apply].] the new policy is not a qualifying policy unless the person making the insurance in respect of which it is issued was an infant when the old policy was issued, and the old policy was one securing a capital sum payable either on a specified date falling not later than one month after his attaining 25 or on the anniversary of the policy immediately following his attainment of that age;
 - (b) if the new policy would apart from this paragraph be a qualifying policy, and the old policy was also a qualifying policy, the new policy is a qualifying policy unless—
 - (i) it takes effect before the expiry of ten years from the making of the insurance in respect of which the old policy was issued, and
 - (ii) subject to sub-paragraph (4) below, the highest total of premiums payable thereunder for any period of 12 months expiring before that time is less than one half of the highest total paid for any period of 12 months under the old policy, or under any related policy issued less than ten years before the issue of the new policy (“related policy” meaning any policy in relation to which the old policy was a new policy within the meaning of this paragraph, any policy in relation to which that policy was such a policy, and so on);
 - (c) if the new policy would not apart from this paragraph be a qualifying policy, and would fail to be so by reason only of paragraph 1(2) or (3) or 2(1)(a), (b) or (c) above, it is nevertheless a qualifying policy if the old policy was a qualifying policy and—
 - (i) the old policy was issued in respect of an insurance made more than ten years before the taking effect of the new policy, and, subject to sub-paragraph (4) below, the premiums payable for any period of 12 months under the new policy do not exceed the smallest total paid for any such period under the old policy; or
 - (ii) the old policy was issued outside the United Kingdom, and the circumstances are as specified in sub-paragraph (3) below.
- (3) ^{M233} The circumstances are—
- (a) where the new policy referred to in sub-paragraph (2)(c) above is issued after 22nd February 1984, that the policy holder under the new policy became resident in the United Kingdom during the 12 months ending with the date of its issue;
 - (b) where paragraph (a) above does not apply, that the person in respect of whom the new insurance is made became resident in the United Kingdom during the 12 months ending with the date of its issue;
 - (c) that the issuing company certify that the new policy is in substitution for the old, and that the old was issued either by a [^{F3127}permanent establishment] of theirs outside the United Kingdom or by a company outside the United Kingdom with whom they have arrangements for the issue of policies in substitution for ones held by persons coming to the United Kingdom; and
 - (d) that the new policy confers on the holder benefits which are substantially equivalent to those which he would have enjoyed if the old policy had continued in force.

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(4) ^{M234} Where the new policy is one issued on or after 1st April 1976 then, in determining under sub-paragraph [^{F3128}(2)(a) to (c)] above whether that policy would or would not (apart from sub-paragraphs (1) to (3) above) be a qualifying policy, there shall be left out of account so much of the first premium payable thereunder as is accounted for by the value of the old policy.

[^{F3129}(5) In determining under sub-paragraph (2)(a) to (c) above whether the new policy would apart from this paragraph be a qualifying policy, paragraph A1 above is not to be applied in relation to the issue of the new policy; but this does not stop that paragraph being applied in relation to the issue of the new policy after this paragraph has been applied.]

Textual Amendments

F3124Sch. 15 para. 17(2)(za) inserted (17.7.2013) by Finance Act 2013 (c. 29), Sch. 9 para. 4(2)

F3125Word in Sch. 15 para. 17(2)(a) inserted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, 10

F3126Words in Sch. 15 para. 17(2)(a) inserted (17.7.2013) by Finance Act 2013 (c. 29), Sch. 9 para. 4(3)

F3127Words in Sch. 15 para. 17(3)(c) substituted (with effect in accordance with s. 153(4) of the amending Act) by Finance Act 2003 (c. 14), s. 153(1)(a)

F3128Words in Sch. 15 para. 17(4) substituted (17.7.2013) by Finance Act 2013 (c. 29), Sch. 9 para. 4(4)

F3129Sch. 15 para. 17(5) inserted (17.7.2013) by Finance Act 2013 (c. 29), Sch. 9 para. 4(5)

Marginal Citations

M232 Source—1970 Sch.1 9(1), (2)

M233 Source—1970 Sch.1 9(3); 1984 s.76(3), (6)

M234 Source—1975 Sch.2 5

- 18 (1) ^{M235} Subject to paragraph 19 below and to the provisions of this paragraph, where the terms of a policy are varied, the question whether the policy after the variation is a qualifying policy shall be determined in accordance with the rules in paragraph 17 above, with references in those rules to the new policy and the old policy construed for that purpose as references respectively to the policy after the variation and the policy before the variation, and with any other necessary modifications.
- (2) In applying any of those rules by virtue of this paragraph, the question whether a policy after a variation would be a qualifying policy apart from the rule shall be determined as if any reference in paragraphs [^{F3130}1, 2, 3(5) to (11), 4 to 9], 12 and 13 above to the making of an insurance, or to a policy's term, were a reference to the taking effect of the variation or, as the case may be, to the term of the policy as from the variation.
- (3) This paragraph does not apply by reason of—
- any variation which, whether or not of a purely formal character, does not affect the terms of a policy in any significant respect, or
 - any variation effected before the end of the year 1968 for the sole purpose of converting into a qualifying policy any policy issued (but not one treated, by virtue of paragraph 8(1) and (2) of Schedule 14, as issued) in respect of an insurance made after 19th March 1968, [^{F3131} or
 - any variation so as to increase the benefits secured or reduce the premiums payable which is effected—

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- (i) on or after such day as the Board may by order appoint, and
 - (ii) in consideration of a change in the method of payment of premiums from collection by a person collecting premiums from house to house to payment by a different method]]^{F3132}, or
 - (d) any variation which alters the method for calculating the benefits secured by the policy.]
- ^{F3133}(4) For the purposes of this paragraph there is no variation in the terms of a policy where—
- (a) an amount of premium chargeable on the grounds that an exceptional risk of death or disability is involved becomes or ceases to be payable, or
 - (b) the policy is amended by the insertion, variation or removal of a provision under which, on those grounds, any sum may become chargeable as a debt against the capital sum guaranteed by the policy on death or disability.]

Subordinate Legislation Made

P5 Sch. 15 para. 18(3)(c)(i) power exercised: 1.12.2001 appointed by S.I. 2001/3643, **art. 2(c)**

Textual Amendments

F3130 Word in Sch. 15 para. 18(2) substituted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, **11**

F3131 Sch. 15 para. 18(3)(c) and preceding word inserted (29.4.1996) by Finance Act 1996 (c. 8), s. **167(9)**

F3132 Sch. 15 para. 18(3)(d) and preceding word inserted (partly retrospective, and otherwise with effect in accordance with s. 87(5) of the amending Act) by Finance Act 2006 (c. 25), s. **87(2)(4)(6)**

F3133 Sch. 15 para. 18(4) inserted (retrospectively with effect in accordance with s. 172(6) of the amending Act) by Finance Act 2003 (c. 14), s. **172(4)**

Marginal Citations

M235 Source—1970 Sch.1 10

- 19 (1) ^{M236} The following provisions of this paragraph shall have effect for determining for the purposes of this Schedule whether a policy has been varied or whether a policy which confers on the person to whom it is issued an option to have another policy substituted for it or to have any of its terms changed is a qualifying policy.
- (2) If the policy is one issued in respect of an insurance made before 1st April 1976—
- (a) any such option shall, until it is exercised, be disregarded in determining whether the policy is a qualifying policy; and
 - (b) any change in the terms of the policy which is made in pursuance of such an option shall be deemed to be a variation of the policy.
- (3) If the policy is one issued in respect of an insurance made on or after 1st April 1976, the policy shall not be a qualifying policy unless it satisfies the conditions applicable to it under this Schedule before any such option is exercised and—
- (a) each policy that might be substituted for it in pursuance of such an option would satisfy those conditions under the rules of paragraph 17 above; and
 - (b) the policy would continue to satisfy those conditions under the rules of that paragraph as applied by paragraph 18 above if each or any of the changes capable of being made in pursuance of such an option had been made and were treated as a variation;

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and it shall not be treated as being varied by reason only of any change made in pursuance of such an option.

Marginal Citations
 M236 Source—1975 Sch.2 3

- 20 (1) ^{M237} Where, as a result of a variation in the life or lives for the time being assured, a qualifying policy (“the earlier policy”) is replaced by a new policy (“the later policy”) which in accordance with the rules in paragraph 17 above is also a qualifying policy, then, subject to sub-paragraph (2) below, for the purposes of—
- (a) sections 268 to 270 ^{F3134} . . . ; and
 - (b) any second or subsequent application of this paragraph;
- the later policy and the earlier policy shall be treated as a single policy issued in respect of an insurance made at the time of the making of the insurance in respect of which the earlier policy was issued; and, accordingly, so long as the later policy continues to be a qualifying policy, the single policy shall also be treated as a qualifying policy for those purposes.
- (2) Sub-paragraph (1) above does not apply unless—
- (a) any sum which would otherwise become payable by the insurer on or in connection with the coming to an end of the earlier policy is retained by the insurer and applied in the discharge of some or all of the liability for any premium becoming due under the later policy; and
 - (b) no consideration in money or money’s worth (other than the benefits for which provision is made by the later policy) is receivable by any person on or in connection with the coming to an end of the earlier policy or the coming into existence of the later policy.
- (3) Any sum which is applied as mentioned in sub-paragraph (2)(a) above—
- (a) shall be left out of account in determining, for the purposes of sections 268 to 270 ^{F3135} . . . , the total amount which at any time has been paid by way of premiums under the single policy referred to in sub-paragraph (1) above;
^{F3136} . . .
 - (b) ^{F3136}
- (4) This paragraph applies where the later policy comes into existence on or after 25th March 1982.

Textual Amendments

F3134 Words in [Sch. 15 para. 20\(1\)\(a\)](#) omitted (with effect in accordance with [Sch. 14 para. 18\(1\)](#) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 9\(a\)](#)

F3135 Words in [Sch. 15 para. 20\(3\)\(a\)](#) omitted (with effect in accordance with [Sch. 14 para. 18\(1\)](#) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 9\(b\)\(i\)](#)

F3136 [Sch. 15 para. 20\(3\)\(b\)](#) and preceding word omitted (with effect in accordance with [Sch. 14 para. 18\(1\)](#) of the repealing Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 14 para. 9\(b\)\(ii\)](#)

Marginal Citations
 M237 Source—1982 s.34

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

[^{F3137}(viii) Policy reinstated after non-payment of premium

Textual Amendments

F3137Sch. 15 para. 20ZA and preceding cross-heading inserted (1.4.2011 with effect in accordance with art. 15(2) of the amending S.I.) by The Enactment of Extra-Statutory Concessions Order 2011 (S.I. 2011/1037), arts. 1, 15(1)

- 20ZA (1) This paragraph applies to a qualifying policy (“the original policy”) if conditions A to D are satisfied.
- (2) Condition A is that one or more premiums due under the original policy are not paid on or before the date on which they become due.
- (3) Condition B is that the original policy, in accordance with its terms, is treated as having lapsed or is converted into a paid-up policy—
- (a) by reason only of the failure to pay that premium or those premiums, and
- (b) within the period of 12 months beginning with the day following the day on which the earliest unpaid premium becomes due.
- (4) Condition C is that the original policy—
- (a) is reinstated on the same terms, or
- (b) is replaced by another policy in the same terms (“the replacement policy”),
- on or before the thirtieth day after the first anniversary of the day following the day on which the earliest unpaid premium becomes due.
- (5) Condition D is that all unpaid premiums due under the original policy are paid on or before the date on which the policy is reinstated or replaced.
- (6) Where condition C is satisfied by virtue of sub-paragraph (4)(b) the replacement policy is to be treated for the purposes of this Schedule as if it were the original policy.
- (7) The policy is to be treated for the purposes of this Schedule as if the premiums payable under it had been paid on their due dates.]

[^{F3138}Meaning of “industrial assurance business”

Textual Amendments

F3138Sch. 15 para. 20A and preceding cross-heading inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 233 (with Sch. 2)

- 20A In this Part of this Schedule “industrial assurance business” means any industrial assurance business within the meaning given by—
- (a) section 1(2) of the Industrial Assurance Act 1923, or
- (b) Article 3(1) of the Industrial Assurance (Northern Ireland) Order 1979, which was carried on before 1 December 2001.]

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PART II

CERTIFICATION OF QUALIFYING POLICIES

Policies issued in respect of insurances made on or after 1st April 1976 or varied on or after that date

21 F3139

Textual Amendments

F3139 Sch. 15 para. 21 repealed (with effect in accordance with s. 55(1)-(5) of the repealing Act) by Finance Act 1995 (c. 4), Sch. 29 Pt. 8(7), Note (as s. 55 of that repealing Act is amended (29.4.1996) by Finance Act 1996 (c. 8), s. 162(1)); S.I. 2013/759, art. 2

22 F3140

Textual Amendments

F3140 Sch. 15 para. 22 repealed (with effect in accordance with s. 55(1)-(5) of the repealing Act) by Finance Act 1995 (c. 4), s. 55(4)(9), Sch. 29 Pt. 8(7), Note (as s. 55 of that repealing Act is amended (29.4.1996) by Finance Act 1996 (c. 8), s. 162(1)); S.I. 2013/759, art. 2

PART III

POLICIES ISSUED BY NON-RESIDENT COMPANIES

- 23 ^{M238} In this Part—
- (a) any reference to a paragraph is a reference to that paragraph of this Schedule; and
 - (b) “the old policy” and “the new policy” have the same meanings as in paragraph 17.

Marginal Citations

M238 Source—1984 Sch.15 Pt.II 1

- 24 (1) ^{M239} This paragraph applies to a policy of life insurance—
- (a) which is issued in respect of an insurance made after 17th November 1983; and
 - (b) which is so issued by a company resident outside the United Kingdom;
- and in the following provisions of this paragraph such a policy is referred to as “a new non-resident policy” and the company by which it is issued is referred to as “the issuing company”.
- [^{F3141}(2) Subject to section 55(3) of the Finance Act 1995 (transitional provision for the certification of certain policies), a new non-resident policy that falls outside sub-paragraph (2A) below shall not be a qualifying policy until such time as the conditions in sub-paragraph (3) are fulfilled with respect to it.

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- (2A) A policy falls outside this sub-paragraph unless, at the time immediately before [^{F3142}the appointed date for the purposes of section 55 of the Finance Act 1995 (removal of certification requirements)], it was a qualifying policy by virtue of sub-paragraphs (2)(b) and (4) of this paragraph, as they had effect in relation to that time.]
- (3) The conditions ^{F3143} . . . referred to in sub-paragraph (2) above are—
- (a) that the issuing company is lawfully carrying on in the United Kingdom life assurance business (as defined in [^{F3144}section 56 of the Finance Act 2012]); and
 - (b) that the premiums under the policy are payable to a [^{F3145}permanent establishment] in the United Kingdom of the issuing company, being a [^{F3145}permanent establishment] through which the issuing company carries on its life assurance business; and
 - (c) the premiums under the policy form part of those business receipts of the issuing company which arise through that [^{F3145}permanent establishment].
- (4) ^{F3146}

Textual Amendments

- F3141** Sch. 15 para. 24(2)(2A) substituted for para. 24(2) by Finance Act 1995 (c. 4), s. 55(5)(a)(9) (as amended (29.4.1996) by Finance Act 1996 (c. 8), s. 162(1)); S.I. 2013/759, art. 2
- F3142** Words in Sch. 15 para. 24(2A) substituted (29.4.1996) by Finance Act 1996 (c. 8), s. 162(2)
- F3143** Words in Sch. 15 para. 24(3) repealed (with effect in accordance with s. 55(1)-(5) of the repealing Act) by Finance Act 1995 (c. 4), s. 55(5)(b)(9), Sch. 29 Pt. 8(7), Note (as s. 55 of that repealing Act is amended (29.4.1996) by Finance Act 1996 (c. 8), s. 162(1)); S.I. 2013/759, art. 2
- F3144** Words in Sch. 15 para. 24(3)(a) substituted (with effect in accordance with s. 148(1) of the amending Act) by Finance Act 2012 (c. 14), Sch. 16 para. 45 (with Sch. 17)
- F3145** Words in Sch. 15 para. 24(3)(b)(c) substituted (with effect in accordance with s. 155(2) of the amending Act) by Finance Act 2003 (c. 14), Sch. 27 para. 1(4)
- F3146** Sch. 15 para. 24(4) repealed (with effect in accordance with s. 55(1)-(5) of the repealing Act) by Finance Act 1995 (c. 4), s. 55(5)(b)(9), Sch. 29 Pt. 8(7), Note (as s. 55 of that repealing Act is amended (29.4.1996) by Finance Act 1996 (c. 8), s. 162(1)); S.I. 2013/759, art. 2

Marginal Citations

M239 Source—1975 Sch.2 1A; 1984 Sch.5 Pt.I

- 25 (1) ^{M240} In the application of paragraph 17 in any case where—
- (a) the old policy was issued in respect of an insurance made after 17th November 1983 and could not be a qualifying policy by virtue of paragraph 24, and
 - (b) the new policy is not a new non-resident policy as defined in that paragraph, the rules for the determination of the question whether the new policy is a qualifying policy shall apply with the modifications in sub-paragraph (2) below.
- [^{F3147}(2) The modifications are the following—
- (a) if, apart from paragraph 24, the old policy or any related policy (within the meaning of paragraph 17(2)(b)) of which account falls to be taken would have been a qualifying policy, that policy shall be assumed to have been a qualifying policy for the purposes of paragraph 17(2); and

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- (b) if, apart from this paragraph, the new policy would be a qualifying policy, it shall not be such a policy unless the circumstances are as specified in paragraph 17(3); and
- (c) in paragraph 17(3)(c) the words “either by a [^{F3148}permanent establishment] of theirs outside the United Kingdom or” shall be omitted;

and references in this sub-paragraph to being a qualifying policy shall have effect, in relation to any time before [^{F3149}the appointed date for the purposes of section 55 of the Finance Act 1995 (removal of certification requirements)], as including a reference to being capable of being certified as such a policy.]

[^{F3150}(2A) In determining for the purposes of sub-paragraph (2)(a) above whether a policy would, apart from paragraph 24, have been a qualifying policy, paragraphs A1 and B1 to B3 above are to be ignored.

(But this does not affect the application of any of those paragraphs in relation to the new policy.)]

- (3) In the application of paragraph 17 in any case where—
 - (a) the old policy is a qualifying policy which was issued in respect of an insurance made on or before 17th November 1983 but, if the insurance had been made after that date, the policy could not have been a qualifying policy by virtue of paragraph 24, and
 - (b) the new policy is issued after that date and is not a new non-resident policy, as defined in paragraph 24,

the rules for the determination of the question whether the new policy is a qualifying policy shall apply with the modification in sub-paragraph (2)(c) above.

Textual Amendments

F3147Sch. 15 para. 25(2) substituted by Finance Act 1995 (c. 4), s. 55(6)(9) (as amended (29.4.1996) by Finance Act 1996 (c. 8), s. 162(1)); S.I. 2013/759, art. 2

F3148Words in Sch. 15 para. 25(2)(c) substituted (with effect in accordance with s. 153(4) of the amending Act) by Finance Act 2003 (c. 14), s. 153(1)(a)

F3149Words in Sch. 15 para. 25(2) substituted (29.4.1996) by Finance Act 1996 (c. 8), s. 162(2)

F3150Sch. 15 para. 25(2A) inserted (17.7.2013) by Finance Act 2013 (c. 29), Sch. 9 para. 5

Marginal Citations

M240 Source—1984 Sch.15 Pt.II 2-4

- 26 If, in the case of a substitution of policies falling within paragraph 25(1) or (3), the new policy confers such an option as results in the application to it of paragraph 19(3), the new policy shall be treated for the purposes of paragraph 19(3) as having been issued in respect of an insurance made on the same day as that on which was made the insurance in respect of which the old policy was issued.
- 27 (1) For the purposes of Part I and [^{F3151}paragraph] 24, a policy of life insurance which was issued—
 - (a) in respect of an insurance made on or before 17th November 1983, and
 - (b) by a company resident outside the United Kingdom,
 shall be treated as issued in respect of an insurance made after that date if the policy is varied after that date so as to increase the benefits secured or to extend the term of the insurance.

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- (2) If a policy of life insurance which was issued as mentioned in sub-paragraph (1)(a) and (b) above confers on the person to whom it is issued an option to have another policy substituted for it or to have any of its terms changed, then for the purposes of that sub-paragraph any change in the terms of the policy which is made in pursuance of the option shall be deemed to be a variation of the policy.

Textual Amendments

F3151 Word in [Sch. 15 para. 27\(1\)](#) substituted (except for specified purposes) by [Finance Act 1995 \(c. 4\), s. 55\(7\)\(9\)](#) (as amended (29.4.1996) by [Finance Act 1996 \(c. 8\), s. 162\(1\)](#)); S.I. 2013/759, [art. 2](#)

F3152**F3152**^{F3153}SCHEDULE 15A

Textual Amendments

F3152 [Sch. 15A](#) repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), Sch. 1 para. 345, Sch. 3 \(with Sch. 2\)](#)
F3153 [Sch. 15A](#) inserted (1.5.1995) by [Finance Act 1995 \(c. 4\), Sch. 12 para. 6\(2\)](#)

F3157SCHEDULE 15B

VENTURE CAPITAL TRUSTS: RELIEF FROM INCOME TAX

Textual Amendments

F3157 [Sch. 15B](#) inserted (with effect in accordance with s. 71(4) of the amending Act) by [Finance Act 1995 \(c. 4\), s. 71\(2\), Sch. 15](#)

F3158**F3158**^{F3158}PART I

RELIEF ON INVESTMENT

Textual Amendments

F3158 [Sch. 15B Pt. 1](#) (paras. 1-6) repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\), Sch. 1 para. 234, Sch. 3 Pt. 1 \(with Sch. 2\)](#)

Entitlement to claim relief

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- 1 (1) Subject to the following provisions of this Schedule, an individual shall, for any year of assessment, be entitled under this Part of this Schedule to claim relief in respect of an amount equal to the aggregate of the amounts (if any) which, by reference to eligible shares issued to him by venture capital trusts in the course of that year, are amounts on which he is eligible for relief in accordance with sub-paragraph (2) below.
- (2) The amounts on which an individual shall be taken for the purposes of sub-paragraph (1) above to be eligible for relief shall be any amounts subscribed by him on his own behalf for eligible shares issued by a venture capital trust for raising money.
- (3) An individual shall not be entitled under this Part of this Schedule to claim relief for any given year of assessment in respect of an amount of more than £200,000.
- (4) An individual shall not be entitled under this Schedule to claim any relief to which he is eligible by reference to any shares unless he had attained the age of eighteen years before those shares were issued.
- (5) Where an individual makes a claim for any relief to which he is entitled under this Part of this Schedule for any year of assessment, the amount of his liability for that year to income tax on his total income shall be equal to the amount to which he would be so liable apart from this Part of this Schedule less whichever is the smaller of—
- (a) an amount equal to 30 per cent of the amount in respect of which he is entitled to claim relief for that year, and
 - (b) the amount which reduces his liability to nil.
- (6) In determining for the purposes of sub-paragraph (5) above the amount of income tax to which a person would be liable apart from this Part of this Schedule, no account shall be taken of—
- (a) any income tax reduction under section 289A,
 - (b) any income tax reduction under Chapter I of Part VII or under section 347B,
 - (c) any income tax reduction under section 353(1A),
 - (d) any income tax reduction under section 54(3A) of the Finance Act 1989,
 - (da) any income tax reduction under paragraph 19(2) of Schedule 16 to the Finance Act 2002 (community investment tax relief),
 - (e) any relief by way of a reduction of liability to tax which is given in accordance with any arrangements having effect by virtue of section 788 or by way of a credit under section 790(1), or
 - (f) any tax at the basic rate on so much of that person's income as is income the income tax on which he is entitled to charge against any other person or to deduct, retain or satisfy out of any payment.
- (7)
- (8) A person shall not be entitled to be given any relief under this Part of this Schedule by reference to any shares if circumstances have arisen which would have resulted, had that relief already been given, in the withdrawal or reduction of the relief.
- (9) A person shall not under this Part of this Schedule be eligible for any relief on any amount by reference to any shares unless the shares are both subscribed for and issued for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax.

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- (10) An individual is not eligible for relief under this Part of this Schedule by reference to any shares which are treated as issued to him by virtue of section 195(8) of the Finance Act 2003 (tax treatment of disposal by company of its own shares).
- (11) Where a company which is a venture capital trust issues to any individual eligible shares to which sub-paragraph (10) above applies, it must—
 - (a) at the time of the issue of those shares, give that individual a notice stating that he is not eligible for relief under this Part of this Schedule by reference to those shares, and
 - (b) no later than three months after the issue of those shares, give a copy of that notice to an officer of the Board.

Loan-linked investments

.....

- 2 (1) An individual shall not be entitled to relief under this Part of this Schedule in respect of any shares if—
 - (a) there is a loan made by any person, at any time in the relevant period, to that individual or any associate of his; and
 - (b) the loan is one which would not have been made, or would not have been made on the same terms, if that individual had not subscribed for those shares or had not been proposing to do so.
- (2) References in this paragraph to the making by any person of a loan to any individual or an associate of his include references—
 - (a) to the giving by that person of any credit to that individual or any associate of his; and
 - (b) to the assignment or assignment to that person of any debt due from that individual or any associate of his.
- (3) In this paragraph—
 - “associate” has the meaning given in subsections (3) and (4) of section 417, except that in those subsections (as applied for the purposes of this paragraph) “relative” shall not include a brother or sister; and
 - “the relevant period”, in relation to relief under this Part of this Schedule in respect of any shares in a company which is a venture capital trust, means the period beginning with the incorporation of the company (or, if the company was incorporated more than two years before the date on which the shares were issued, beginning two years before that date) and ending immediately before the fifth anniversary of the date on which the shares were issued.

Loss of investment relief

.....

- 3 (1) This paragraph applies, subject to sub-paragraph (5) below, where—
 - (a) an individual who has made any claim for relief under this Part of this Schedule makes any disposal of eligible shares in a venture capital trust, and

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- (b) that disposal takes place before the end of the period of five years beginning with the date on which those shares were issued to that individual.
- (2) If the disposal is made otherwise than by way of a bargain made at arm's length, any relief given under this Part of this Schedule by reference to the shares which are disposed of shall be withdrawn.
- (3) Where the disposal was made by way of a bargain made at arm's length—
 - (a) if, apart from this sub-paragraph, the relief given by reference to the shares that are disposed of is greater than the amount mentioned in sub-paragraph (4) below, it shall be reduced by that amount, and
 - (b) if paragraph (a) above does not apply, any relief given by reference to those shares shall be withdrawn.
- (4) The amount referred to in sub-paragraph (3) above is an amount equal to tax at the lower rate for the year of assessment for which the relief was given on the amount or value of the consideration which the individual receives for the shares.
- (5) This paragraph shall not apply in the case of any disposal of shares which is made by a person to his spouse or civil partner at a time when they are living together.
- (6) Where any eligible shares issued to any individual ("the transferor"), being shares by reference to which any amount of relief under this Part of this Schedule has been given, are transferred to the transferor's spouse or civil partner ("the transferee") by a disposal such as is mentioned in sub-paragraph (5) above, this paragraph shall have effect, in relation to any subsequent disposal or other event, as if—
 - (a) the transferee were the person who had subscribed for the shares,
 - (b) the shares had been issued to the transferee at the time when they were issued to the transferor,
 - (c) there had been, in respect of the transferred shares, such a reduction under this Part of this Schedule in the transferee's liability to income tax as is equal to the actual reduction in respect of those shares of the transferor's liability, and
 - (d) that deemed reduction were (notwithstanding the transfer) to be treated for the purposes of this paragraph as an amount of relief given by reference to the shares transferred.
- (7) Any assessment for withdrawing or reducing relief by reason of a disposal or other event falling within sub-paragraph (6) above shall be made on the transferee.
- (8) In determining for the purposes of this paragraph any question whether any disposal relates to shares by reference to which any relief under this Part of this Schedule has been given, it shall be assumed, in relation to any disposal by any person of any eligible shares in a venture capital trust, that—
 - (a) as between eligible shares acquired by the same person on different days, those acquired on an earlier day are disposed of by that person before those acquired on a later day; and
 - (b) as between eligible shares acquired by the same person on the same day, those by reference to which relief under this Part of this Schedule has been given are disposed of by that person only after he has disposed of any other eligible shares acquired by him on that day.
- (9) Where—
 - (a) the approval of any company as a venture capital trust is withdrawn, and

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(b) the withdrawal of the approval is not one to which section 842AA(8) applies, any person who, at the time when the withdrawal takes effect, is holding any shares by reference to which relief under this Part of this Schedule has been given shall be deemed for the purposes of this paragraph to have disposed of those shares immediately before that time and otherwise than by way of a bargain made at arm's length.

Assessment on withdrawal or reduction of relief

-
- 4 (1) Any relief given under this Part of this Schedule which is subsequently found not to have been due shall be withdrawn by the making of an assessment to tax . . . for the year of assessment for which the relief was given.
- (2) An assessment for withdrawing or reducing relief in pursuance of paragraph 3 above shall also be made as an assessment to tax . . . for the year of assessment for which the relief was given.
- (3) No assessment for withdrawing or reducing relief given by reference to shares issued to any person shall be made by reason of any event occurring after his death.

Provision of information

-
- 5 (1) Where an event occurs by reason of which any relief under this Part of this Schedule falls to be withdrawn or reduced, the individual to whom the relief was given shall, within 60 days of his coming to know of the event, give a notice to the inspector containing particulars of the event.
- (2) If the inspector has reason to believe that a person has not given a notice which he is required to give under sub-paragraph (1) above in respect of any event, the inspector may by notice require that person to furnish him within such time (not being less than 60 days) as may be specified in the notice with such information relating to the event as the inspector may reasonably require for the purposes of this Part of this Schedule.
- (3) No obligation as to secrecy imposed by statute or otherwise shall preclude the inspector from disclosing to a venture capital trust that relief given by reference to a particular number or proportion of its shares has been given or claimed under this Part of this Schedule.

Interpretation of Part I

-
- 6 (1) In this Part of this Schedule “eligible shares”, in relation to a company which is a venture capital trust, means new ordinary shares in that trust which, throughout the period of five years beginning with the date on which they are issued, carry no present or future preferential right to dividends or to a company's assets on its winding up and no present or future . . . right to be redeemed.

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- (2) In this Part of this Schedule “ordinary shares”, in relation to a company, means shares forming part of a company’s ordinary share capital.
- (3) In this Part of this Schedule references to a disposal of shares shall include references to a disposal of an interest or right in or over the shares.

PART II

RELIEF ON DISTRIBUTIONS

Modifications etc. (not altering text)

C141 Sch. 15B Pt. 2 applied (1.5.1995) by Taxation of Chargeable Gains Act 1992 (c. 12), s. 151A(6) (as inserted by Finance Act 1995 (c. 4), s. 72(3))

7 F3173

Textual Amendments

F3173 Sch. 15B paras. 7-9 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 346(3), Sch. 3 (with Sch. 2)

Meaning of “permitted maximum”

8 F3174

Textual Amendments

F3174 Sch. 15B paras. 7-9 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 346(3), Sch. 3 (with Sch. 2)

Interpretation of Part II

9 F3175]

Textual Amendments

F3175 Sch. 15B paras. 7-9 repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 346(3), Sch. 3 (with Sch. 2)

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SCHEDULE 17

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Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F3176Sch. 16 repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 235](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))

F3186F3186 SCHEDULE 17

Textual Amendments

F3186Sch. 17 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 139](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))

F3188F3188 [F3189 SCHEDULE 17A]

Textual Amendments

F3188Sch. 17A repealed and replaced (with effect in accordance with Sch. 27 Pt. 3(28) Note of the repealing Act) by [Finance Act 1998 \(c. 36\)](#), s. 117(1)(c), [Sch. 18](#), **Sch. 27 Pt. 3(28)**

F3189Sch. 17A inserted (with effect in accordance with s. 100(4) of the amending Act) by [Finance Act 1990 \(c. 29\)](#), s. 100(3), **Sch. 15**; S.I. 1992/3066, **art. 2(2)(b)**

F3190F3190 SCHEDULE 18

Textual Amendments

F3190Sch. 18 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [Sch. 1 para. 140](#), **Sch. 3 Pt. 1** (with [Sch. 2](#))

F3232F3232 [F3233 SCHEDULE 18A]

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F3232Sch. 18A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 141, **Sch. 3 Pt. 1** (with Sch. 2)

F3233Sch. 18A inserted (with effect in accordance with Sch. 1 para. 9 of the amending Act) by Finance Act 2006 (c. 25), **Sch. 1 para. 7**

F3235F3235 SCHEDULE 19

Textual Amendments

F3235Sch. 19 repealed by Finance Act 1989 (c. 26), ss. 103, 187, **Sch. 17 Pt. V**, Notes 1, 3

F3240F3240 [F3241 SCHEDULE 19AA]

Textual Amendments

F3240Sch. 19AA repealed (with effect in accordance with s. 38(2) of the repealing Act) by Finance Act 2007 (c. 11), Sch. 7 para. 55, **Sch. 27 Pt. 2(7)**, Note (with Sch. 7 Pt. 2)

F3241Sch. 19AA inserted (for accounting periods beginning on or after 1 January 1990) by Finance Act 1990 (c. 29), Sch.7 paras. 6, **10**

F3271F3271 [F3272 SCHEDULE 19AB]

Textual Amendments

F3271Sch. 19AB repealed (with effect in accordance with s. 87(2)-(5) of the repealing Act) by Finance Act 2001 (c. 9), s. 87(1), **Sch. 33 Pt. 2(12)**, Note (the provisions of Sch. 19AB not applying in relation to tax credits in respect of distributions made on or after 6th April 2004)

F3272Sch. 19AB inserted (with effect in relation to accounting periods beginning on or after 2.10.1992) by Finance Act 1991 (c. 31, SIF 63:1), s. 49, **Sch. 8**; S.I. 1992/1746, **art. 2**

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F3335F3335 [F3336] SCHEDULE
19ABA]

Textual Amendments

F3335Sch. 19ABA omitted (with effect in accordance with s. 148(1) of the repealing Act) by virtue of **Finance Act 2012 (c. 14)**, **Sch. 16 para. 46** (with **Sch. 17**)

F3336Sch. 19ABA inserted (27.12.2007 with effect in accordance with art. 1(2) of the amending S.I.) by **The Insurance Companies (Taxation of Reinsurance Business) (Corporation Tax Acts) (Amendment) Order 2007 (S.I. 2007/3430)**, **arts. 1(1), 3(3)**

F3346F3346 [F3347] SCHEDULE
19AC]

Textual Amendments

F3346Sch. 19AC repealed (31.12.2006 with effect in accordance with reg. 1 of the repealing S.I.) by **The Overseas Life Insurance Companies Regulations 2006 (S.I. 2006/3271)**, reg. 43(1), **Sch. Pt. 1**

F3347Sch. 19AC inserted (27.7.1993) by **1993 c. 34**, s. 97, **Sch. 9 para.1**

[F3424F3425] SCHEDULE 19A

Section 450.]

Textual Amendments

F3424Sch. 19A inserted (1988-89 and subsequent years) by **Finance Act 1988 (c. 39)**, s. 58(4)(a)(5), **Sch. 5**

F3425Sch. 19A repealed and superseded (with **Sch. 19** of the amending Act) (27.7.1993 with effect for the year 1992-93 and subsequent years of assessment) by **1993 c. 34**, ss. 173(2), 213, **Sch. 23 Pt. III(12)** Note 5

[F3441] SCHEDULE 19B

Section 496A

PETROLEUM EXTRACTION ACTIVITIES: EXPLORATION EXPENDITURE SUPPLEMENT

Textual Amendments

F3441Sch. 19B inserted (22.7.2004) by **Finance Act 2004 (c. 12)**, s. 286(3), **Sch. 38**

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

PART 1

INTRODUCTORY

About this Schedule

- 1 (1) This Schedule entitles a company carrying on a ring fence trade, on making a claim in respect of an accounting period ending on or after 1st January 2004 [^{F3442}but before 1st January 2006], to a supplement (initially of 6%, but variable by Treasury order) in respect of—
- (a) qualifying capital expenditure incurred before the trade is set up and commenced,
 - (b) losses incurred in the trade, determined by reference to allowances under Part 6 of the Capital Allowances Act (expenditure on research and development) in respect of qualifying capital expenditure, and
 - (c) some or all of the supplement allowed in respect of earlier periods.
- (2) To qualify, the capital expenditure in question must be incurred on or after 1st January 2004 [^{F3443}but before 1st January 2006] in respect of oil and gas exploration and appraisal (as well as satisfying other conditions).
- (3) Part 2 makes provision about the application and interpretation of this Schedule.
- (4) Part 3 makes provision about supplement in relation to expenditure incurred by the company—
- (a) with a view to carrying on a ring fence trade, but
 - (b) in an accounting period before the company sets up and commences that trade.
- (5) Part 4 makes provision about supplement in relation to losses incurred in carrying on the ring fence trade.
- (6) There is a limit on the number of accounting periods (6) in respect of which a company may claim supplement.
- (7) In determining the amount of supplement allowable, reductions fall to be made in respect of—
- (a) disposal receipts by virtue of section 555 of the Capital Allowances Act (disposal of oil licence with exploitation value),
 - (b) ring fence losses that could be set off under section 393A [^{F3444}or 393B] against ring fence profits of earlier periods,
 - (c) ring fence losses incurred in earlier periods that fall to be set off under section 393 against profits of succeeding periods,
 - (d) unrelieved group ring fence profits.

Textual Amendments

F3442 Words in *Sch. 19B para. 1(1)* inserted (19.7.2006) by *Finance Act 2006 (c. 25), s. 154(4)(a)*

F3443 Words in *Sch. 19B para. 1(2)* inserted (19.7.2006) by *Finance Act 2006 (c. 25), s. 154(4)(b)*

F3444 Words in *Sch. 19B para. 1(7)(b)* inserted (with effect in accordance with 111(3) of the amending Act) by *Finance Act 2008 (c. 9), Sch. 35 para. 8(2)*

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

PART 2

APPLICATION AND INTERPRETATION

Qualifying companies

- 2 This Schedule applies in relation to any company which—
- (a) carries on a ring fence trade, or
 - (b) is engaged in oil and gas exploration and appraisal (see section 837B [^{F3445} of this Act and section 1003 of ITA 2007]) with a view to carrying on a ring fence trade,
- and in this Schedule any such company is referred to as a “qualifying company”.

Textual Amendments

F3445 Words in Sch. 19B para. 2(b) inserted (6.4.2007 with effect in accordance with s. 1034(1) of the amending Act) by Income Tax Act 2007 (c. 3), Sch. 1 para. 236 (with Sch. 2)

Accounting periods

- 3 (1) In this Schedule, in the case of any qualifying company,—
- “the commencement period” means the accounting period in which the company sets up and commences its ring fence trade;
 - “post-commencement period” means any accounting period ending on or after 1st January 2004 [^{F3446} but before 1st January 2006]—
 - (a) which is the commencement period, or
 - (b) which ends after the commencement period;
 - “pre-commencement period” means any accounting period ending—
 - (a) on or after 1st January 2004 [^{F3447} but before 1st January 2006], and
 - (b) before the commencement period.
- (2) For the purposes of this Schedule a company not within the charge to corporation tax which incurs qualifying E&A expenditure is to be treated as having such accounting periods as it would have if—
- (a) it carried on a trade consisting of the activities in respect of which the expenditure is incurred, and
 - (b) it had started to carry on that trade when it started to carry on the research and development on which the expenditure is incurred.
- [In the case of an accounting period (a “straddling period”) of any qualifying company
- ^{F3448}(3) beginning before 1st January 2006 and ending on or after that date—
- (a) so much of the straddling period as falls before 1st January 2006, and
 - (b) so much of the straddling period as falls on or after that date,
- are treated as separate accounting periods for the purposes of this Schedule.
- (4) Special provision is made elsewhere in this Schedule in relation to straddling periods (see paragraphs 16, 18A and 22).]

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Textual Amendments

F3446 Words in *Sch. 19B para. 3(1)* inserted (19.7.2006) by *Finance Act 2006 (c. 25), s. 154(5)(a)*

F3447 Words in *Sch. 19B para. 3(1)* inserted (19.7.2006) by *Finance Act 2006 (c. 25), s. 154(5)(b)*

F3448 *Sch. 19B para. 3(3)(4)* inserted (19.7.2006) by *Finance Act 2006 (c. 25), s. 154(5)(c)*

The relevant percentage

- 4 (1) For the purposes of this Schedule, the relevant percentage for any accounting period ending on or after 1st January 2004 is 6%.
- (2) The Treasury may by order vary the percentage for the time being specified in subparagraph (1) for such accounting periods as may be specified in the order.

Limit on number of accounting periods for which supplement may be claimed

- 5 (1) A company may claim supplement under this Schedule in respect of no more than 6 accounting periods.
- (2) The accounting periods in respect of which claims are made need not be consecutive.

Qualifying E&A expenditure

- 6 (1) For the purposes of this Schedule “qualifying E&A expenditure” is any expenditure as respects which the following conditions are satisfied.
- (2) Condition 1 is that the expenditure is incurred on or after 1st January 2004 [^{F3449}but before 1st January 2006].
- (3) Condition 2 is that, for the purposes of Part 6 of the Capital Allowances Act, the expenditure is qualifying expenditure incurred on research and development consisting of oil and gas exploration and appraisal (see section 437(2)(b) of that Act).
- (4) Condition 3 is that an allowance under section 441 of that Act is claimed in respect of the expenditure.
- (5) Condition 4 is that the expenditure is incurred in the course of oil extraction activities.
- (6) Condition 5 is that—
- (a) those oil extraction activities are comprised in a ring fence trade, or
 - (b) after incurring the expenditure, the person incurring it sets up and commences a ring fence trade connected with the research and development [^{F3450}or starts to be within the charge to corporation tax in respect of such a ring fence trade.]

Textual Amendments

F3449 Words in *Sch. 19B para. 6(2)* inserted (19.7.2006) by *Finance Act 2006 (c. 25), s. 154(6)*

F3450 Words in *Sch. 19B para. 6(6)(b)* inserted (1.4.2009) with effect in accordance with *s. 1329(1)* of the amending Act) by *Corporation Tax Act 2009 (c. 4), Sch. 1 para. 283* (with *Sch. 2 Pts. 1, 2*)

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Unrelieved group ring fence profits for accounting periods

- 7 (1) There is an amount of unrelieved group ring fence profits for an accounting period of a qualifying company (“company Q”) in any case where—
- (a) the company and any other company (“company X”) are members of the same group of companies, within the meaning given by section 413(3)(a), and
 - (b) company X has an amount of taxable ring fence profits (see paragraph 8) for a corresponding accounting period.
- (2) An accounting period of company X corresponds to an accounting period of company Q if—
- (a) it coincides with, or falls wholly within, the accounting period of company Q, or
 - (b) it falls partly within the accounting period of company Q.
- (3) Where an accounting period of company X—
- (a) coincides with an accounting period of company Q, or
 - (b) falls wholly within an accounting period of company Q,
- there is, for the accounting period of company Q, an amount of unrelieved group ring fence profits equal to the whole of company X’s taxable ring fence profits for its accounting period.
- (4) Where an accounting period of company X falls partly within an accounting period of company Q—
- (a) there is an amount of unrelieved group ring fence profits for the accounting period of company Q, and
 - (b) that amount is an amount equal to the part of company X’s taxable ring fence profits for its accounting period that is attributable, on an apportionment in accordance with section 834(4), to the part of that period which falls within the accounting period of company Q.
- (5) This paragraph applies for the purposes of this Schedule.

Taxable ring fence profits of an accounting period

- 8 For the purposes of this Schedule, a company has taxable ring fence profits for an accounting period if it has an amount of ring fence profits which is chargeable to corporation tax for that accounting period after any group relief claimed under Chapter 4 of Part 10.

PART 3

PRE-COMMENCEMENT SUPPLEMENT

Supplement in respect of a pre-commencement accounting period

- 9 (1) Where—
- (a) a qualifying company claims an allowance under section 441 of the Capital Allowances Act (research and development allowances) for the commencement period, and

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- (b) the claim is for an allowance in respect of qualifying E&A expenditure incurred before that period,
the company may also claim supplement under this Part of this Schedule (“pre-commencement supplement”) in respect of one or more pre-commencement periods.
- (2) Any pre-commencement supplement allowed on a claim in respect of a pre-commencement period shall be treated as an allowance under Part 6 of the Capital Allowances Act for the commencement period in respect of qualifying E&A expenditure incurred by the company.
- (3) The amount of the supplement for any pre-commencement period in respect of which a claim under this paragraph is made is the relevant percentage for that period of the reference amount for that period.
- (4) If the pre-commencement period is a period of less than twelve months, the amount of the supplement for the period (apart from this sub-paragraph) shall be reduced proportionally.
- (5) Paragraphs 10 to 13 have effect for the purpose of determining the reference amount for a pre-commencement period.

The mixed pool of qualifying E&A expenditure and supplement previously allowed

- 10 (1) For the purpose of determining the amount of any pre-commencement supplement, a qualifying company shall be taken to have had, at all times in the pre-commencement periods of the company, a continuing mixed pool of qualifying E&A expenditure and pre-commencement supplement.
- (2) The pool shall be taken to have consisted of—
 - (a) the company’s qualifying E&A expenditure, allocated to the pool for each pre-commencement period in accordance with sub-paragraph (3), and
 - (b) the company’s pre-commencement supplement, allocated to the pool for each pre-commencement period in accordance with sub-paragraph (4).
- (3) To allocate qualifying E&A expenditure to the pool for any pre-commencement period, take the following steps—
 - (a) *Step 1:* count as eligible expenditure for that period so much of the qualifying E&A expenditure mentioned in paragraph 9(1)(b) as was incurred in that period,
 - (b) *Step 2:* find the total of all the eligible expenditure for that period (amount E),
 - (c) *Step 3:* if paragraph 11 applies, reduce amount E in accordance with that paragraph,
 - (d) *Step 4:* if paragraph 12 applies, reduce (or, as the case may be, further reduce) amount E in accordance with that paragraph,
and so much of amount E as remains after making those reductions shall be taken to have been added to the pool in that period.
- (4) If any pre-commencement supplement is allowed on a claim in respect of a pre-commencement period, the amount of that supplement shall be taken to have been added to the pool in that period.

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Treatment of disposal value on disposal of oil licence with exploitation value

- 11 (1) This paragraph applies in any case where—
- (a) the qualifying company disposes of an interest in an oil licence in a pre-commencement period,
 - (b) part of the value of the interest (the “deductible amount”) is attributable to qualifying E&A expenditure incurred by the company, and
 - (c) section 555 of the Capital Allowances Act (disposal of oil licence with exploitation value) has effect in relation to the disposal.
- (2) For the purpose of allocating qualifying E&A expenditure to the pool for each pre-commencement period—
- (a) find the total of the deductible amounts in the case of all such disposals made by the company (amount D), and
 - (b) taking later periods before earlier periods, reduce (but not below nil) amount E for any pre-commencement period by setting against it so much of amount D as does not fall to be set against amount E for a later pre-commencement period.
- (3) In this paragraph “oil licence” has the same meaning as in section 555 of the Capital Allowances Act (see section 552 (1) of that Act).

Reduction in respect of unrelieved group ring fence profits

- 12 (1) This paragraph applies if there is an amount of unrelieved group ring fence profits for a pre-commencement period.
- (2) For the purpose of allocating qualifying E&A expenditure to the pool for that period—
- (a) find so much (if any) of amount E for that period as remains after any reduction falling to be made under paragraph 11, and
 - (b) reduce that amount (but not below nil) by setting against it a sum equal to the aggregate of the amounts of unrelieved group ring fence profits for the period.

The reference amount for a pre-commencement period

- 13 For the purposes of this Part of this Schedule, the reference amount for a pre-commencement period is the amount in the pool at the end of the period—
- (a) after the addition to the pool of any qualifying E&A expenditure allocated to the pool for that period in accordance with paragraph 10(3), but
 - (b) before determining, and adding to the pool, the amount of any pre-commencement supplement claimed in respect of the period.

Claims for pre-commencement supplement

- 14 (1) Any claim for pre-commencement supplement in respect of a pre-commencement period must be made at the same time as, and as if it were part of, the claim under section 441 of the Capital Allowances Act mentioned in paragraph 9(1)(a).
- (2) Subsection (3) of that section (claim for reduced amount) applies in relation to any such claim.

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PART 4

POST-COMMENCEMENT SUPPLEMENT

Supplement in respect of a post-commencement period

- 15 (1) A qualifying company which incurs a qualifying E&A loss (see paragraph 17) in a post-commencement period may claim supplement under this Part of this Schedule (“post-commencement supplement”) in respect of—
- (a) that period, or
 - (b) any subsequent accounting period in which it carries on its ring fence trade.
- (2) Any post-commencement supplement allowed on a claim in respect of a post-commencement period shall be treated for the purposes of the Corporation Tax Acts (other than this Part of [F3451this Schedule or [F3452sections 321 to 329 of CTA 2010]]) as if it were a loss—
- (a) incurred in carrying on the ring fence trade in that period,
 - (b) which falls in whole to be set off under section 393 against trading income from the ring fence trade in succeeding accounting periods.
- (3) Paragraph 74 of Schedule 18 to the Finance Act 1998 (company tax returns etc: time limit for claims for group relief) shall apply in relation to a claim for post-commencement supplement as it applies in relation to a claim for group relief.

Textual Amendments

F3451 Words in *Sch. 19B para. 15(2)* substituted (19.7.2006) by *Finance Act 2006 (c. 25), s. 154(7)*

F3452 Words in *Sch. 19B para. 15(2)* substituted (1.4.2010 with effect in accordance with *s. 1184(1)* of the amending Act) by *Corporation Tax Act 2010 (c. 4), Sch. 1 para. 142(2)* (with *Sch. 2*)

Amount of post-commencement supplement for a post-commencement period

- 16 (1) The amount of the post-commencement supplement for any post-commencement period in respect of which a claim under paragraph 15 is made is the relevant percentage for that period of the reference amount for that period.
- (2) If the post-commencement period is a period of less than twelve months, the amount of the supplement for the period (apart from this sub-paragraph) shall be reduced proportionally.
- [But, if the post-commencement period is the deemed accounting period under F3453(2A) paragraph 3(3) ending before 1st January 2006, sub-paragraph (2) has no effect in relation to the amount of the supplement for that period.]
- (3) Paragraphs 19 to 24 have effect for the purpose of determining the reference amount for a post-commencement period.

Textual Amendments

F3453 *Sch. 19B para. 16(2A)* inserted (19.7.2006) by *Finance Act 2006 (c. 25), s. 154(8)*

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Ring fence losses and qualifying E&A losses

- 17 (1) Where—
- (a) in any post-commencement period (“the period of the loss”) a qualifying company carrying on a ring fence trade incurs a loss in the trade, and
 - (b) some or all of the loss falls to be set off under section 393 against trading income from the trade in succeeding accounting periods,
- so much of the loss as falls to be so set off is a “ring fence loss” of the company.
- (2) In determining for the purposes of this Part of this Schedule how much of a loss incurred in a ring fence trade falls to be set off as mentioned in sub-paragraph (1) (b), it shall be assumed—
- [that every claim is made that could be made by the company under
 - ^{F3454}(a)] section 393A to set losses incurred in the ring fence trade against ring fence profits of earlier post-commencement periods, [^{F3455}and
 - (b) that (where appropriate) section 393B applies in relation to every such claim.]
- (3) So much of a ring fence loss as is attributable to qualifying E&A allowances for the period of the loss is a “qualifying E&A loss”.
- (4) A ring fence loss is attributable to qualifying E&A allowances to the extent that the amount of the ring fence loss does not exceed the amount of the qualifying E&A allowances for the period of the loss.
- (5) But a claim for post-commencement supplement may include an election for a ring fence loss to be treated—
- (a) as attributable to qualifying E&A allowances for the period of the loss to such lesser extent as may be specified in the election, or
 - (b) as not attributable to such allowances.
- (6) “Qualifying E&A allowances”, in the case of an accounting period, means allowances for that period under Part 6 of the Capital Allowances Act in respect of qualifying E&A expenditure incurred by the company (including any pre-commencement supplement treated under paragraph 9(2) as such an allowance).
- (7) This paragraph has effect for the purposes of this Part of this Schedule.

Textual Amendments

F3454 Words in [Sch. 19B para. 17\(2\)](#) renumbered as para. 17(2)(a) (with effect in accordance with 111(3) of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 35 para. 8\(3\)\(a\)](#)

F3455 [Sch. 19B para. 17\(2\)\(b\)](#) and preceding word inserted (with effect in accordance with 111(3) of the amending Act) by [Finance Act 2008 \(c. 9\)](#), [Sch. 35 para. 8\(3\)\(b\)](#)

Ring fence losses and non-qualifying losses

- 18 (1) So much of a ring fence loss as is not a qualifying E&A loss is a non-qualifying loss.
- (2) Where—
- (a) a loss was incurred by a qualifying company in its ring fence trade in an accounting period ending on or before 31st December 2003, and

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(b) some or all of that loss falls to be set off under section 393 against profits of that trade in accounting periods ending on or after that date, so much of the loss as falls to be so set off is a ring fence loss and that loss is a non-qualifying loss.

(3) This paragraph has effect for the purposes of this Part of this Schedule.

Special rule for straddling periods

[^{F3456}18A (1) This paragraph applies in any case where the period of the loss in which a ring fence loss is incurred is the deemed accounting period under paragraph 3(3) ending before 1st January 2006.

(2) The following assumption shall be made for the purpose of calculating the amount of the qualifying E&A loss and the amount of the non-qualifying loss.

(3) The assumption is that the loss made in the trade is taken to be the loss incurred in the accounting period beginning before 1st January 2006 and ending on or after that date (disregarding paragraph 3(3)).

(4) The amount of the non-qualifying loss (found in accordance with that assumption) is then reduced (but not below nil) by the following amount.

(5) The amount is the amount of the ring fence loss in the deemed accounting period beginning on 1st January 2006 determined under [^{F3457}section 324 of CTA 2010].]

Textual Amendments

F3456Sch. 19B para. 18A inserted (19.7.2006) by Finance Act 2006 (c. 25), s. 154(9)

F3457Words in Sch. 19B para. 18A(5) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 142(3) (with Sch. 2)

The pool of qualifying E&A losses and the pool of non-qualifying losses

19 (1) For the purpose of determining the amount of any post-commencement supplement, a qualifying company shall be taken at all times in its post-commencement periods to have—

(a) a continuing pool of the company’s non-qualifying losses (the “non-qualifying pool”), and

(b) a continuing mixed pool of the company’s qualifying E&A losses and post-commencement supplement (the “qualifying pool”).

(2) A pool continues even if the amount in it is nil.

The non-qualifying pool

20 (1) The non-qualifying pool consists of the company’s non-qualifying losses, allocated to the pool in accordance with sub-paragraph (2).

(2) A non-qualifying loss is allocated to the pool by adding the amount of the non-qualifying loss to the pool in the period of the loss.

(3) In the case of a non-qualifying loss incurred in an accounting period ending on or before 31st December 2003, the period of the loss shall be taken for the purposes of

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sub-paragraph (2) to be the first accounting period of the company that ends on or after 1st January 2004.

- (4) The amount in the non-qualifying pool is subject to reductions in accordance with the following provisions of this Part of this Schedule.
- (5) Where a reduction in the amount in the non-qualifying pool falls to be made in any accounting period—
 - (a) the reduction is to be made after the addition to the pool of any non-qualifying loss allocated to the pool in that period in accordance with sub-paragraph (2), and
 - (b) references to the amount in the non-qualifying pool shall be construed accordingly.

The qualifying pool

- 21
- (1) The qualifying pool consists of—
 - (a) the company's qualifying E&A losses, allocated to the pool in accordance with sub-paragraph (2)(a), and
 - (b) the company's post-commencement supplement, allocated to the pool in accordance with sub-paragraph (2)(b).
 - (2) The allocation of qualifying E&A losses and post-commencement supplement to the pool is as follows—
 - (a) the amount of a qualifying E&A loss is added to the pool in the period of the loss, and
 - (b) if any post-commencement supplement is allowed on a claim in respect of a post-commencement period, the amount of that supplement is added to the pool in that period.
 - (3) The amount in the qualifying pool is subject to reductions in accordance with the following provisions of this Part of this Schedule.
 - (4) Where a reduction in the amount in the qualifying pool falls to be made in any accounting period, the reduction is to be made—
 - (a) after the addition to the pool of the amount of any qualifying E&A losses allocated to the pool in that period in accordance with sub-paragraph (2)(a), but
 - (b) before determining, and adding to the pool, the amount of any supplement claimed in respect of the period,and references to the amount in the pool shall be construed accordingly.

Reductions in respect of utilised ring fence losses

- 22
- (1) If one or more ring fence losses are set off under section 393 against any profits of a post-commencement period, reductions shall be made in that period in accordance with this paragraph.
 - (2) The amount in the non-qualifying pool shall be reduced (but not below nil) by setting against it a sum equal to the total amount so set off.
 - (3) If any of that sum remains after being so set against the amount in the non-qualifying pool, the amount in the qualifying pool shall be reduced (but not below nil) by setting against it so much of that sum as so remains.

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- [If the post-commencement period is the deemed accounting period under paragraph ^{F3458}(4) 3(3) ending before 1st January 2006 (“the deemed accounting period”), the amount of the profits of the deemed accounting period is determined as follows.
- (5) The amount of the profits of the straddling period is apportioned to the deemed accounting period in proportion to the number of days in the deemed accounting period that fall in the straddling period.
 - (6) The apportioned amount is taken for the purposes of this paragraph to be the amount of the profits of the deemed accounting period.
 - (7) In this paragraph “the straddling period”, in relation to a qualifying company, means an accounting period of the company beginning before 1st January 2006 and ending on or after that date (disregarding paragraph 3(3)).]

Textual Amendments
F3458Sch. 19B para. 22(4)-(7) inserted (19.7.2006) by Finance Act 2006 (c. 25), s. 154(10)

Reductions in respect of unrelieved group ring fence profits

- 23 (1) If there is an amount of unrelieved group ring fence profits for a post-commencement period, reductions shall be made in that period in accordance with this paragraph.
- (2) In the following provisions of this paragraph, references to the remaining amount in a pool are references to so much (if any) of the amount in the pool as remains after making any reductions that fall to be made in accordance with paragraph 22.
- (3) The remaining amount in the non-qualifying pool shall be reduced (but not below nil) by setting against it a sum equal to the aggregate of the amounts of unrelieved group ring fence profits for the period.
- (4) If any of that sum remains after being so set against the remaining amount in the non-qualifying pool, the remaining amount in the qualifying pool shall be reduced (but not below nil) by setting against it so much of that sum as so remains.

The reference amount for a post-commencement period

24 For the purposes of this Part of this Schedule the reference amount for a post-commencement period is so much of the amount in the qualifying pool as remains after making any reductions required by paragraph 22 or 23.]

F3459F3459 [F3460] SCHEDULE 19C]

Textual Amendments
F3459Sch. 19C repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 143, Sch. 3 Pt. 1 (with Sch. 2)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F3460Sch. 19C inserted (19.7.2006) by Finance Act 2006 (c. 25), s. 154(11), **Sch. 19**

F3468F3468 SCHEDULE 20

Textual Amendments

F3468Sch. 20 repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 144, **Sch. 3 Pt. 1** (with Sch. 2)

SCHEDULE 21

Sections 570 and 572.

TAX RELIEF IN CONNECTION WITH SCHEMES FOR RATIONALIZING
INDUSTRY AND OTHER REDUNDANCY SCHEMES ^{M290}

Marginal Citations

M290 Source—1970 c.10, **Sch.11**

PART I

PRELIMINARY

1 (1) In this Schedule—

“scheme” means a scheme which is for the time being certified or has at any time been certified by the Secretary of State under section 568;

“payment” means a payment made under a scheme, being a payment made to a person carrying on a trade to which the scheme relates and not being a payment made by way of repayment of contributions;

“the person chargeable” means, in relation to any such payment, the person liable to pay any tax which may fall to be paid by reason of the receipt of the payment;

“damage” includes any loss, liability, expense or other burden, and references to the amount of any damage are references to the sum which would be fair compensation for that damage;

“contribution” includes part of a contribution, and “deductible contribution” means a contribution allowed to be deducted under section 568, any reduction under Part III of this Schedule being left out of account; and

“asset” includes part of an asset.

(2) For the purposes of this Schedule, a sum received by any person by way of repayment of contributions shall be deemed to be by way of repayment of the last contribution

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paid by him, and, if the sum exceeds the amount of that contribution, by way of repayment of the penultimate contribution so paid, and so on.

PART II

RELIEF IN RESPECT OF CERTAIN PAYMENTS

2 The question whether any, and if so, what, relief is to be given shall be determined separately in relation to each payment made under the scheme in respect of the trade, but for the purpose of determining that question regard shall be had, as provided by the following provisions of this Part of this Schedule, to the sum (“the total payment”) produced by adding the amount of the payment to the amount of any payments previously so made.

3 **F3486**

Textual Amendments
F3486Sch. 21 para. 3 repealed (with effect in accordance with s. 134(2) of the repealing Act) by Finance Act 1996 (c. 8), Sch. 20 para. 43, Sch. 41 Pt. 5(10), Note

4 No relief shall be given in respect of the payment unless the total payment, or the amount of the damage in respect of which the total payment has been made, whichever is the smaller, exceeds the aggregate amount of the deductible contributions which have been paid in furtherance of the scheme in respect of the trade in question before the payment is made, exclusive of any contributions which have been repaid before the payment is made.

5 The amount of the reduction to be made in respect of the payment shall be arrived at by—
(a) ascertaining the sum which bears to the excess mentioned in paragraph 4 above the same proportion that the amount mentioned in paragraph 3(b) above bears to the amount mentioned in paragraph 3(a); and
(b) deducting from that sum the total amount of any reductions which have been or fall to be made under this Schedule in respect of payments previously made under the scheme in respect of the trade.

6 (1) For the purposes of this Schedule, and subject to sub-paragraph (2) below, damage shall be deemed to be damage in respect of which relief may be given under the Tax Acts if and only if—
(a) the damage is attributable to any of the following events, that is to say, the demolition, destruction or putting out of use of any asset, or the disposition or termination of an interest in any asset, and, by reason of that event, an allowance falls to be made under ^{F3487}Part 2 or 3 of the Capital Allowances Act in calculating the profits of a trade]; or
(b) the damage consists of any loss, liability, expense or other burden in respect of which an allowance may be made in computing the ^{F3488}profits] of the trade for the purposes of the Tax Acts.

(2) **F3489**

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- (3) Where any event occurs which would give rise to an allowance under the Tax Acts in respect of any asset in taxing, or computing the [^{F3488}profits] of, a trade but for any of the following matters, that is to say—
- (a) that there are no [^{F3488}profits] against which the allowance could be made, or
 - (b) that account is required to be taken of allowances previously made or deemed to have been made in respect of the asset; or
 - (c) that account is required to be taken of any sum which falls to be written off the expenditure incurred on the asset for the purpose of determining whether any and if so what allowance may be given by reason of the event; or
 - (d) that account is required to be taken of any sum falling to be taken into account as sale, insurance, salvage or compensation moneys, the like consequences shall ensue under this Schedule as if an allowance had fallen to be made by reason of that event.
- (4) Where any damage is attributable to a permanent change in the purposes for which an asset is used, or the temporary or permanent putting out of use of an asset, the question whether the damage is damage in respect of which relief may be given under the Tax Acts shall be determined as if the damage had been attributable to a sale of the asset on the date upon which the change or putting out of use took place.

Textual Amendments

F3487 Words in Sch. 21 para. 6(1)(a) substituted (with effect in accordance with s. 579 of the amending Act) by Capital Allowances Act 2001 (c. 2), Sch. 2 para. 65

F3488 Words in Sch. 21 para. 6(1)(b)(3) substituted (31.7.1998) by Finance Act 1998 (c. 36), s. 46(3)(a), Sch. 7 para. 1

F3489 Sch. 21 para. 6(2) repealed (with effect in accordance with s. 164(1)(2) of the repealing Act) by Capital Allowances Act 1990 (c. 1), s. 164(4)(5), Sch. 2

PART III

EXCLUSION OF RELIEF IN RESPECT OF CONTRIBUTIONS PAID AFTER RELIEF HAS BEEN GIVEN UNDER PART II

- 7 The provisions of this Part of this Schedule shall have effect where—
- (a) a contribution is paid under a scheme in respect of a trade; and
 - (b) before the contribution is paid, payments have been made under the scheme to the person carrying on the trade; and
 - (c) reductions have been made, under Part II of this Schedule, in the amounts which, by reason of those payments, are to be treated as trading receipts of the trade.
- 8 There shall be ascertained—
- (a) the total amount of those reductions; and
 - (b) the sum by which that total would have been decreased if the contribution, and any previous contributions to which this Part of this Schedule applies, had been paid before any of the payments were made.

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- 9 For the purpose of determining what deduction is to be made in respect of the contribution under section 568, the contribution shall be deemed to be reduced by the sum specified in paragraph 8(b) above, but—
- (a) for the purpose of the application of paragraph 8 above in relation to contributions subsequently paid under the scheme in respect of the trade, the total amount of the reductions referred to in that paragraph shall be treated as decreased by that sum; and
 - (b) for the purpose of the application of paragraph 5 above in relation to payments subsequently made under the scheme in respect of the trade, the total amount of the reductions referred to in that paragraph shall be treated as decreased by that sum.
- 10 When two or more contributions are paid at the same time, the provisions of this Part of this Schedule shall have effect as if they were a single contribution.

F3490F3490 SCHEDULE 22

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Textual Amendments

F3490 Sch. 22 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

F3493F3493 SCHEDULE 23

.....

Textual Amendments

F3493 Sch. 23 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)

F3496F3496 [F3497 SCHEDULE
23ZA]

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Textual Amendments

F3496 Sch. 23ZA repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3, Note (with Sch. 36)
F3497 Sch. 23ZA inserted (28.7.2000) by Finance Act 2000 (c. 17), s. 61, Sch. 13 para. 27 (with Sch. 13 paras. 28, 29)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

F3498F3498[F3499] SCHEDULE 23A]

Textual Amendments

F3498 Sch. 23A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 145, **Sch. 3 Pt. 1** (with Sch. 2)

F3499 Sch. 23A inserted by Finance Act 1991 (c. 31, SIF 63:1), s. 58, **Sch. 13 para. 1** (with effect as mentioned in s. 58(3) in relation to payments made on or after such day as may be specified: 26.2.1992 specified for certain purposes by S.I. 1992/173, **reg.2**; 30.6.1992 specified for certain purposes by S.I. 1992/1346, **regs.2, 3, 4**; 21.4.1993 specified for certain purposes by S.I. 1993/933, **regs.2, 3(b), 4**)

SCHEDULE 24

Section 747(6).

M295 ASSUMPTIONS FOR CALCULATING CHARGEABLE PROFITS, CREDITABLE TAX AND CORRESPONDING UNITED KINGDOM TAX OF FOREIGN COMPANIES

Modifications etc. (not altering text)

C196 Sch. 24 modified (28.7.2000) by Finance Act 2000 (c. 17), **Sch. 22 para. 54(2)-(5)**

Marginal Citations

M295 Source-1984 Sch. 16, 1985 Sch. 14 16

General

- 1 (1) The company shall be assumed to be resident in the United Kingdom.
- (2) Nothing in sub-paragraph (1) above requires it to be assumed that there is any change in the place or places at which the company carries on its activities.
- (3) For the avoidance of doubt, it is hereby declared that, if any sums forming part of the company's profits for an accounting period have been received by the company without any deduction of or charge to tax [F3613] and have been so received by virtue of [F3614] section 1279 of CTA 2009]] the effect of the assumption in sub-paragraph (1) above is that those sums are to be brought within the charge to tax for the purposes of calculating the company's chargeable profits or corresponding United Kingdom tax.

[F3615] (3A) In any case where—

- (a) it is at any time necessary for any purpose of Chapter IV of Part XVII to determine [F3616] in the case of any person] the chargeable profits of the company for an accounting period, and
- (b) at that time—
 - [F3617] (i) it has not been established in the case of that person that that or any earlier accounting period of the company is an accounting period in respect of which an apportionment under section 747(3) falls to be made, [F3618] . . .]

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(ii) ^{F3618}

^{F3619} in determining the chargeable profits of the company for the accounting period mentioned in paragraph (a) above, it shall be assumed, for the purposes of those provisions of paragraphs 2 and 10 below which refer to the first accounting period in respect of which an apportionment under section 747(3) falls to be made ^{F3620} . . . , that that period (but not any earlier period) is an accounting period in respect of which such an apportionment falls to be made ^{F3620}]

(4) In any case where—

(a) it is at any time necessary for any purpose of Chapter IV of Part XVII to determine [^{F3621} in the case of any person] the chargeable profits of the company for an accounting period, and

^{F3622}(b) at that time it has not been established in the case of that person that that or any earlier accounting period of the company is an accounting period in respect of which an apportionment under section 747(3) falls to be made,]

^{F3623} in determining the chargeable profits of the company for the accounting period mentioned in paragraph (a) above, it shall be assumed, for the purposes of those provisions of paragraph 9 below which refer to the first accounting period in respect of which an apportionment under section 747(3) falls to be made, that such an apportionment falls to be made in respect of that period (but not in respect of any earlier period).]

(5) Nothing in this Schedule affects any liability for, or the computation of, corporation tax in respect of a trade which is carried on by a company resident outside the United Kingdom through a [^{F3624} permanent establishment] in the United Kingdom.

^{F3625}(6) ^{F3626}]

Textual Amendments

- F3613** Words in Sch. 24 para. 1(3) substituted (with effect in accordance with s. 154(9) of the amending Act) by Finance Act 1996 (c. 8), **Sch. 28 para. 6**
- F3614** Words in Sch. 24 para. 1(3) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 286(2)** (with Sch. 2 Pts. 1, 2)
- F3615** Sch. 24 para. 1(3A) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(2)**
- F3616** Words in Sch. 24A para. 1(3A)(a) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(3)**; S.I. 1998/3173, **art. 2**
- F3617** Sch. 24 para. 1(3A)(b)(i) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(4)(a)**; S.I. 1998/3173, **art. 2**
- F3618** Sch. 24 para. 1(3A)(b)(ii) and preceding word omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 2(6)(a)** (with Sch. 16 paras. 7, 8)
- F3619** Words in Sch. 24 para. 1(3A) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(5)**; S.I. 1998/3173, **art. 2**
- F3620** Words in Sch. 24 para. 1(3A)(b) omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 2(6)(a)** (with Sch. 16 paras. 7, 8)
- F3621** Words in Sch. 24 para. 1(4)(a) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(7)**; S.I. 1998/3173, **art. 2**
- F3622** Sch. 24 para. 1(4)(b) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(8)**; S.I. 1998/3173, **art. 2**

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F3623 Words in Sch. 24 para. 1(4) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 17(9)**; S.I. 1998/3173, **art. 2**

F3624 Words in Sch. 24 para. 1(5) substituted (with effect in accordance with s. 153(4) of the amending Act) by Finance Act 2003 (c. 14), **s. 153(1)(a)**

F3625 Sch. 24 para. 1(6) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(3)**

F3626 Sch. 24 para. 1(6) omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 2(6)(b)** (with Sch. 16 paras. 7, 8)

2 (1) The company shall be assumed to have become resident in the United Kingdom (and, accordingly, within the charge to corporation tax) at the beginning of the first accounting period—

[^{F3627}(a) in respect of which [^{F3628}an apportionment under section 747(3) falls to be made], ^{F3629} . . .

(b) ^{F3629}

and] that United Kingdom residence shall be assumed to continue throughout subsequent accounting periods of the company (whether or not [^{F3630}an apportionment falls to be made] in respect of all or any of them) until the company ceases to be controlled by persons resident in the United Kingdom.

(2) Except in so far as the following provisions of this Schedule otherwise provide, for the purposes of calculating a company's chargeable profits or corresponding United Kingdom tax for any accounting period which is not the first such period referred to in sub-paragraph (1) above (and, in particular, for the purpose of applying any relief which is relevant to two or more accounting periods), it shall be assumed that a calculation of chargeable profits or, as the case may be, corresponding United Kingdom tax has been made for every previous accounting period throughout which the company was, by virtue of sub-paragraph (1) above, assumed to have been resident in the United Kingdom.

Textual Amendments

F3627 Words in Sch. 24 para. 2(1) substituted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(4)**

F3628 Words in Sch. 24 para. 2(1)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 18(a)**; S.I. 1998/3173, **art. 2**

F3629 Sch. 24 para. 2(1)(b) and preceding word omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 2(6)(c)** (with Sch. 16 paras. 7, 8)

F3630 Words in Sch. 24 para. 2(1) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 18(b)**; S.I. 1998/3173, **art. 2**

3 The company shall be assumed not to be a close company.

4 (1) Subject to sub-paragraph (2) below, where any relief under the Corporation Tax Acts is dependent upon the making of a claim or election, the company shall be assumed to have made that claim or election which would give the maximum amount of relief and to have made that claim or election within any time limit applicable to it [^{F3631}, except that the company shall be assumed not to have made an election under section 18A of CTA 2009.]

[^{F3632}(1A) Sub-paragraph (2) below applies to any accounting period of the company—

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- (a) in respect of which [^{F3633}an apportionment under section 747(3) falls to be made]; ^{F3634}
- (b) ^{F3634}]

(2) [^{F3635}Where this sub-paragraph applies to an accounting period of the company, then] if, by notice [^{F3636}given to an officer of the Board] at any time not later than the expiry of [^{F3637}the period of twenty months following the end of the accounting period] or within such longer period as the Board may in any particular case allow, the United Kingdom resident company which has or, as the case may be, any two or more United Kingdom resident companies which together have, a majority interest in the company so request, the company shall be assumed—

- (a) not to have made any claim or election specified in the notice; or
- (b) to have made a claim or election so specified, being different from one assumed by sub-paragraph (1) above but being one which (subject to compliance with any time limit) could have been made in the case of a company within the charge to corporation tax; or
- (c) to have disclaimed or required the postponement, in whole or in part, of an allowance if (subject to compliance with any time limit) a company within the charge to corporation tax could have disclaimed the allowance or, as the case may be, required such a postponement.

[^{F3638}(2A) ^{F3639}]

[^{F3640}(2B) For the purposes of sub-paragraph (1) an election under section 9A of CTA 2010 (designated currency of a UK resident investment company) is not to be regarded as an election upon which relief under the Corporation Tax Acts is dependent, and sub-paragraph (2)(b) does not apply in relation to such an election.

(2C) But if, by notice given to an officer of the Board, the United Kingdom resident company which has or, as the case may be, any two or more United Kingdom resident companies which together have, a majority interest in the company so request, the company shall be assumed (subject to section 9A(2) of CTA 2010) to have made an election under section 9A of that Act in the form specified in the notice (and accordingly that section and section 9B of that Act apply to determine the effect (if any) of that election).]

(3) For the purposes of this paragraph, a United Kingdom resident company has, or two or more United Kingdom resident companies together have, a majority interest in the company if on the apportionment of the company’s chargeable profits for the relevant accounting period under section 747(3) more than half of the amount of those profits—

- (a) which are apportioned to all United Kingdom resident companies, and
 - (b) which give rise to [^{F3641}any liability] on any such companies under subsection (4)(a) of that section,
- are apportioned to the United Kingdom resident company or companies concerned.

[^{F3642}(3A) ^{F3643}]

(4) In sub-paragraph (3) above “the relevant accounting period” means the accounting period or, as the case may be, the first accounting period in which the relief in question is or would be available in accordance with sub-paragraph (1) above.

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Textual Amendments

- F3631** Words in Sch. 24 para. 4(1) inserted (19.7.2011) by Finance Act 2011 (c. 11), Sch. 13 paras. 12, 31
- F3632** Sch. 24 para. 4(1A) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), Sch. 36 para. 3(5)
- F3633** Words in Sch. 24 para. 4(1A)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 19(2); S.I. 1998/3173, art. 2
- F3634** Sch. 24 para. 4(1A)(b) and preceding word omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of Finance Act 2009 (c. 10), Sch. 16 para. 2(6)(d) (with Sch. 16 paras. 7, 8)
- F3635** Words in Sch. 24 para. 4(2) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), Sch. 36 para. 3(6)(a)
- F3636** Words in Sch. 24 para. 4(2) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 19(3)(a); S.I. 1998/3173, art. 2
- F3637** Words in Sch. 24 para. 4(2) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 19(3)(b); S.I. 1998/3173, art. 2
- F3638** Sch. 24 para. 4(2A) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), Sch. 36 para. 3(7)
- F3639** Sch. 24 para. 4(2A) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act by Finance Act 1998 (c. 36), Sch. 17 para. 19(4), Sch. 27 Pt. 3(27), Note; S.I. 1998/3173, art. 2
- F3640** Sch. 24 para. 4(2B)(2C) inserted (with effect in accordance with Sch. 7 para. 8 of the amending Act) by Finance Act 2011 (c. 11), Sch. 7 para. 5
- F3641** Words in Sch. 24 para. 4(3)(b) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 19(5); S.I. 1998/3173, art. 2
- F3642** Sch. 24 para. 4(3A) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), Sch. 36 para. 3(8)
- F3643** Sch. 24 para. 4(3A) omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of Finance Act 2009 (c. 10), Sch. 16 para. 2(6)(e) (with Sch. 16 paras. 7, 8)

Modifications etc. (not altering text)

- C197** Sch. 24 para. 4(1) excluded (with effect in accordance with Sch. 29 Pt. 14 of the affecting Act) by Finance Act 2002 (c. 23), Sch. 29 para. 116(3)
- C198** Sch. 24 para. 4(1) restricted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 870(4)(5) (with Sch. 2 Pts. 1, 2)
- C199** Sch. 24 para. 4(2) modified (29.5.2001 with effect in accordance with reg. 1 of the modifying S.I.) by The General Insurance Reserves (Tax) Regulations 2001 (S.I. 2001/1757), reg. 8(3)
- C200** Sch. 24 para. 4(3)(4) applied (with modifications) (23.3.1995) by The Exchange Gains and Losses (Alternative Method of Calculation of Gain or Loss) Regulations 1994 (S.I. 1994/3227), regs. 1(2), 6

[^{F3644}4A ^{F3645}.....]

Textual Amendments

- F3644** Sch. 24 para. 4A inserted (27.7.1993 with effect as mentioned in s. 96(2) of the amending act in relation to any accounting period on or after such day as may be appointed under s. 165(7)(b) of the amending Act) by 1993 c. 34, ss. 96(1)(2), 165(7)(b)
- F3645** Sch. 24 para. 4A deemed never to have been inserted, by virtue of Finance Act 1995 (c. 4), Sch. 25 para. 6(3), Sch. 29 Pt. 8(18), Note

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Group relief etc.

5^[F3646](1) The company shall be assumed to be neither a member of a group of companies nor a member of a consortium for the purposes of any provision of the Tax Acts.

^[F3647](2) Where, under ^[F3648]Part 5 of CTA 2010], any relief is in fact surrendered by the company and allowed to another company by way of group relief, it shall be assumed that the chargeable profits of the company, apart from this paragraph, are to be increased by an amount of additional profits equal to the amount of the relief so surrendered and allowed.]

Textual Amendments

F3646Sch. 24 para. 5 renumbered as para. 5(1) (with effect in accordance with Sch. 27 para. 12(1) of the amending Act) by virtue of Finance Act 2000 (c. 17), **Sch. 27 para. 10**

F3647Sch. 24 para. 5(2) inserted (with effect in accordance with Sch. 27 para. 12(1) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 27 para. 10**

F3648Words in Sch. 24 para. 5(2) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 146(2)** (with Sch. 2)

Modifications etc. (not altering text)

C201 Sch. 24 para. 5(1) excluded by Corporation Tax Act 2010 (c. 4), **s. 938M(1)** (as inserted (19.7.2011) by Finance Act 2011 (c. 11), **Sch. 5 para. 2**)

6 ^{F3649}

Textual Amendments

F3649Sch. 24 para. 6 repealed (with application in accordance with Sch. 33 Pt. 2(10) Note of the repealing Act) by Finance Act 2001 (c. 9), **Sch. 33 Pt. 2(10)**

7 ^{F3650}

Textual Amendments

F3650Sch. 24 para. 7 repealed (with effect in accordance with Sch. 3 para. 43(4) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 43(3), **Sch. 27 Pt. 3(2)**, Note

Company reconstructions

8 Without prejudice to the operation of ^[F3651]Chapter 1 of Part 22 of CTA 2010] in a case where the company is the predecessor, within the meaning of ^[F3652]that Chapter], and a company resident in the United Kingdom is the successor, within the meaning of ^[F3652]that Chapter]—

- (a) the assumption that the company is resident in the United Kingdom shall not be regarded as requiring it also to be assumed that the company is within the charge to tax in respect of a trade for the purposes of ^[F3652]that Chapter], and
- (b) except in so far as the company is actually within that charge (by carrying on the trade through a ^[F3653]permanent establishment] in the United Kingdom), it shall accordingly be assumed that the company can never be

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the successor, within the meaning of [^{F3652}that Chapter], to another company (whether resident in the United Kingdom or not).

Textual Amendments

F3651 Words in Sch. 24 para. 8 substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 146(3)(a) (with Sch. 2)

F3652 Words in Sch. 24 para. 8 substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 146(3)(b) (with Sch. 2)

F3653 Words in Sch. 24 para. 8(b) substituted (with effect in accordance with s. 153(4) of the amending Act) by Finance Act 2003 (c. 14), s. 153(1)(a)

Losses in pre-direction accounting periods

- 9 (1) ^{F3654} . . . This paragraph applies in any case where the company incurred a loss in a trade in an accounting period—
- (a) which precedes the first accounting period in respect of which [^{F3655}an apportionment under section 747(3) falls to be made] (“the starting period”); and
 - (b) which ended less than six years before the beginning of the starting period; and
 - (c) in which the company was not resident [^{F3656}^{F3657} . . .] in the United Kingdom; and in this paragraph any such accounting period is referred to as a “[^{F3658}pre-apportionment] period”.
- (2) ^{F3659}
- (3) If a claim is made for the purpose by the United Kingdom resident company or companies referred to in paragraph 4(2) above, the chargeable profits (if any) of the company for accounting periods beginning with that [^{F3658}pre-apportionment] period which is specified in the claim and in which a loss is incurred as mentioned in sub-paragraph (1) above shall be determined (in accordance with the provisions of this Schedule other than this paragraph) on the assumption that that [^{F3658}pre-apportionment] period was the first accounting period in respect of which [^{F3660}an apportionment under section 747(3) fell to be made].
- ^{F3661}(4) A claim under sub-paragraph (3) above shall be made by notice given to an officer of the Board within the period of twenty months following the end of the starting period or within such longer period as the Board may in any particular case allow.]
- (5) ^{F3659}
- (6) ^{F3659}
- ^{F3662}(7) Nothing in—
- (a) paragraph 10 of Schedule 18 to the Finance Act 1998 (claims or elections in company tax returns), or
 - (b) Schedule 1A to the Management Act (claims or elections not included in returns),
- shall apply, whether by virtue of section 754 or otherwise, to a claim under sub-paragraph (3) above.]

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Textual Amendments

- F3654** Words in Sch. 24 para. 9(1) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 20(3)(a), **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**
- F3655** Words in Sch. 24 para. 9(1)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 20(3)(b)**; S.I. 1998/3173, **art. 2**
- F3656** Words in Sch. 24 para. 9(1)(c) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(9)**
- F3657** Words in Sch. 24 para. 9(1)(c) omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 2(6)(f)** (with Sch. 16 paras. 7, 8)
- F3658** Words in Sch. 24 para. 9(1)(3) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 20(2)**; S.I. 1998/3173, **art. 2**
- F3659** Sch. 24 para. 9(2)(5)(6) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 20(4)(7)(8), **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**
- F3660** Words in Sch. 24 para. 9(3) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 20(5)**; S.I. 1998/3173, **art. 2**
- F3661** Sch. 24 para. 9(4) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 20(6)**; S.I. 1998/3173, **art. 2**
- F3662** Sch. 24 para. 9(7) added (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 20(9)**; S.I. 1998/3173, **art. 2**

Capital allowances^{F3663} and expenditure on car hire]

Textual Amendments

- F3663** Words in cross-heading relating to Sch. 24 para. 11A inserted (with effect in accordance with s. 579 of the amending Act) by virtue of Capital Allowances Act 2001 (c. 2), **Sch. 2 para. 66(3)(a)**

- 10 (1) [^{F3664}Subject to paragraph 12 below,] if, in an accounting period falling before the beginning of the first accounting period—
- [^{F3665}(a) in respect of which [^{F3666}an apportionment under section 747(3) falls to be made], ^{F3667} . . .
 - (b) ^{F3667}
- the] company incurred any capital expenditure on the provision of [^{F3668}plant or machinery for the purposes of its trade, that plant or machinery shall be assumed, for the purposes of Part 2 of the Capital Allowances Act], to have been provided for purposes wholly other than those of the trade and not to have been brought into use for the purposes of that trade until the beginning of that first accounting period, and [^{F3669}section 13 of that Act (use for qualifying activity of plant or machinery provided for other purposes)] shall apply accordingly.
- (2) This paragraph shall be construed as one with [^{F3670}Part 2 of the Capital Allowances Act].

Textual Amendments

- F3664** Words in Sch. 24 para. 10(1) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 21(a)**; S.I. 1998/3173, **art. 2**

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- F3665** Words in Sch. 24 para. 10(1) substituted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), **Sch. 36 para. 3(10)**
- F3666** Words in Sch. 24 para. 10(1)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 21(b)**; S.I. 1998/3173, **art. 2**
- F3667** Sch. 24 para. 10(1)(b) and preceding word omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 2(6)(g)** (with Sch. 16 paras. 7, 8)
- F3668** Words in Sch. 24 para. 10(1) substituted (with effect in accordance with s. 579 of the amending Act) by Capital Allowances Act 2001 (c. 2), **Sch. 2 para. 66(1)(a)**
- F3669** Words in Sch. 24 para. 10(1) substituted (with effect in accordance with s. 579 of the amending Act) by Capital Allowances Act 2001 (c. 2), **Sch. 2 para. 66(1)(b)**
- F3670** Words in Sch. 24 para. 10(2) substituted (with effect in accordance with s. 579 of the amending Act) by Capital Allowances Act 2001 (c. 2), **Sch. 2 para. 66(2)**

11 **F3671**

Textual Amendments

- F3671** Sch. 24 para. 11 repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 22, **Sch. 27 Pt. 3(27)**, Note; S.I. 1998/3173, **art. 2**

[^{F3672}11A ^{F3673}.....]

Textual Amendments

- F3672** Sch. 24 para. 11A inserted (1.5.1995) by Finance Act 1995 (c. 4), **Sch. 25 para. 6(4)**
- F3673** Sch. 24 para. 11A repealed (with effect in accordance with Sch. 4 para. 24(2) of the repealing Act) by Finance Act 2005 (c. 7), **Sch. 11 Pt. 2(6)**, Note

Unremittable overseas income

- 12 For the purposes of the application of [^{F3674}Part 18 of CTA 2009] to the company's income it shall be assumed—
- that any reference in [^{F3675}section 1274(3) or (4) of that Act] to the United Kingdom is a reference to both the United Kingdom and the territory in which the company is in fact resident; and
 - that [^{F3676}a claim under section 1275 of that Act (claim for relief for unremittable income) may be made] on behalf of the company by the United Kingdom resident company or companies referred to in paragraph 4(2) above.

Textual Amendments

- F3674** Words in Sch. 24 para. 12 substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 286(3)(a)** (with Sch. 2 Pts. 1, 2)
- F3675** Words in Sch. 24 para. 12(a) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 286(3)(b)** (with Sch. 2 Pts. 1, 2)
- F3676** Words in Sch. 24 para. 12(b) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 286(3)(c)** (with Sch. 2 Pts. 1, 2)

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]^{F3677} Exchange gains and losses

Textual Amendments
F3677Sch. 24 paras. 13-19 and cross-heading inserted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), **Sch. 25 para. 6(5)**

13 **F3678**

Textual Amendments
F3678Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

14 **F3679**

Textual Amendments
F3679Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

15 **F3680**

Textual Amendments
F3680Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

16 **F3681**

Textual Amendments
F3681Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

17 **F3682**

Textual Amendments
F3682Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

18 **F3683**

Textual Amendments
F3683Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

19 **F3684**

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Textual Amendments

F3684Sch. 24 paras. 13-19 repealed (with effect in accordance with s. 79(3) of the repealing Act) by [Finance Act 2002 \(c. 23\)](#), **Sch. 40 Pt. 3(10)**, Note

[^{F3685} Transfer pricing

Textual Amendments

F3685Sch. 24 para. 20 and cross-heading inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by [Finance Act 1998 \(c. 36\)](#), **Sch. 17 para. 24**; S.I. 1998/3173, **art. 2**

20 ^{F3686}

Textual Amendments

F3686Sch. 24 para. 20 repealed (with effect in accordance with s. 37 of the repealing Act) by [Finance Act 2004 \(c. 12\)](#), Sch. 5 para. 4, **Sch. 42 Pt. 2(1)**, Note

SCHEDULE 25

Section 748.

[^{F3687} CASES WHERE SECTION 747(3) DOES NOT APPLY]

Textual Amendments

F3687Sch. 25 heading substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by [Finance Act 1998 \(c. 36\)](#), **Sch. 17 para. 25**; S.I. 1998/3173, **art. 2**

^{F3688}**PART I**

ACCEPTABLE DISTRIBUTION POLICY

Textual Amendments

F3688Sch. 25 Pt. 1 (paras. 1-4A) omitted (with effect in accordance with Sch. 16 para. 6 of the repealing Act) by virtue of [Finance Act 2009 \(c. 10\)](#), **Sch. 16 para. 1(3)** (with Sch. 16 paras. 7-9) (subject, as saved, to amendment by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), Sch. 1 para. 147(2) (with **Sch. 2**))

1 The provisions of this Part of this Schedule have effect for the purposes of paragraph (a) of subsection (1) of section 748 and the other provisions of Chapter IV of Part XVII which refer to a company pursuing an acceptable distribution policy.

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- 2 (1) Subject to paragraph 2A below, a controlled foreign company pursues an acceptable distribution policy in respect of a particular accounting period if, and only if—
- (a) a dividend which is not paid out of specified profits is paid for that accounting period . . . ; and
 - (b) the dividend is paid during, or not more than eighteen months after the expiry of, that period or at such later time as the Board may, in any particular case, allow; and
 - (c) *the dividend is paid at a time when the company is not resident in the United Kingdom (whether or not it is at that time a controlled foreign company); and*
 - (d) the amount of the dividend or, if there is more than one, of the aggregate of those dividends which is paid to persons resident in the United Kingdom is not less than 90 per cent. of the company’s net chargeable profits for the accounting period referred to in paragraph (a) above or, where sub-paragraph (4) or (5) below applies, of the appropriate portion of those profits;

-
- (1A) A payment of dividend to a company shall not fall within sub-paragraph (1)(d) above unless it is taken into account in computing the company’s income for corporation tax and—
- (a) it is chargeable neither under Chapter 2 of Part 3 of CTA 2009 as profits of a trade carried on wholly or partly in the United Kingdom nor under section 436A (gross roll-up business: separate charge on profits); or
 - (b) if it is chargeable under Chapter 2 of Part 3 of CTA 2009 as profits of a trade carried on wholly or partly in the United Kingdom, or under section 436A, it is not involved in a UK tax avoidance scheme;

and paragraph 2B below has effect for the purposes of paragraph (b) above.

- (1B) A dividend paid by a company shall not fall within sub-paragraph (1)(d) above if, and to the extent that, the profits which are the relevant profits in relation to the dividend derive from dividends or other distributions paid to the company at any time which are dividends or other distributions—
- (a) to which section 1285 of CTA 2009 applied; or
 - (b) to which that section would have applied if the company had been resident in the United Kingdom at that time.

Subsections (3) and (4) of section 799 (double taxation relief: computation of underlying tax) apply for the purposes of this sub-paragraph as they apply for the purposes of subsection (1) of that section.

(2)

- (3) For the purposes of this paragraph and paragraph 2A below, a dividend which is not paid for the period or periods the profits of which are, in relation to the dividend, the relevant profits for the purposes of section 799 shall be treated (subject to sub-paragraph (3A) below) as so paid.

- (3A) For the purposes of this paragraph and paragraph 2A below—
- (a) where a dividend is paid for a period which is not an accounting period but falls wholly within an accounting period, it shall be treated as paid for that accounting period, and

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- (b) where a dividend (“the actual dividend”) is paid for a period which falls within two or more accounting periods—
 - (i) it shall be treated as if it were a number of separate dividends each of which is paid for so much of the period as falls wholly within an accounting period, and
 - (ii) the necessary apportionment of the amount of the actual dividend shall be made to determine the amount of the separate dividends.

(4) This sub-paragraph applies where—

- (a) throughout the accounting period in question all the issued shares of the controlled foreign company are of a single class, and
- (b) at the end of that accounting period some of those shares are held by persons resident outside the United Kingdom, and
- (c) at no time during that accounting period does any person have an interest in the company other than an interest derived from the issued shares of the company;

and in a case where this sub-paragraph applies the appropriate portion for the purposes of sub-paragraph (1)(d) above is the fraction of which the denominator is the total number of the issued shares of the company at the end of the accounting period in question and, subject to sub-paragraph (8) below, the numerator is the number of those issued shares by virtue of which persons resident in the United Kingdom have interests in the company at that time.

(5) This sub-paragraph applies where—

- (a) throughout the accounting period in question there are only two classes of issued shares of the controlled foreign company and, of those classes, one (“non-voting shares”) consists of non-voting fixed-rate preference shares and the other (“voting shares”) consists of shares which carry the right to vote in all circumstances at general meetings of the company; and
- (b) at the end of that accounting period some of the issued shares of the company are held by persons resident outside the United Kingdom; and
- (c) at no time during that accounting period does any person have an interest in the company other than an interest derived from non-voting or voting shares;

and in a case where this sub-paragraph applies the appropriate portion of the profits referred to in sub-paragraph (1)(d) above is the amount determined in accordance with sub-paragraph (6) below.

(6) The amount referred to in sub-paragraph (5) above is that given by the formula—

$$\frac{PyQ}{R} + \frac{(X - P)yY}{Z}$$

where—

P is the amount of any dividend falling within (a) and (b) of sub-paragraph (1) above which is paid in respect of the non-voting shares or, if there is more than one such dividend, of the aggregate of them;

Q is, subject to sub-paragraph (8) below, the number of the non-voting shares by virtue of which persons resident in the United Kingdom have interests in the company at the end of the accounting period in question;

R is the total number at that time of the issued non-voting shares;

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X is the net chargeable profits for the accounting period in question;
 Y is, subject to sub-paragraph (8) below, the number of voting shares by virtue of which persons resident in the United Kingdom have interests in the company at the end of that accounting period; and
 Z is the total number at that time of the issued voting shares.

- (7) For the purposes of sub-paragraph (5)(a) above, non-voting fixed-rate preference shares are shares—
- (a) which are fixed-rate preference shares as defined in paragraph 1 of Schedule 18; and
 - (b) which either carry no right to vote at a general meeting of the company or carry such a right which is contingent upon the non-payment of a dividend on the shares and which has not in fact become exercisable at any time prior to the payment of a dividend for the accounting period in question.
- (8) In any case where the immediate interests held by persons resident in the United Kingdom who have indirect interests in a controlled foreign company at the end of a particular accounting period do not reflect the proportion of the shares or, as the case may be, shares of a particular class in the company by virtue of which they have those interests (as in the case where they hold, directly or indirectly, part of the shares in a company which itself holds, directly or indirectly, some or all of the shares in the controlled foreign company) the number of those shares shall be treated as reduced for the purposes of sub-paragraph (4) or (6) above, as the case may be, to such number as may be appropriate having regard to—
- (a) the immediate interests held by the persons resident in the United Kingdom; and
 - (b) any intermediate shareholdings between those interests and the shares in the controlled foreign company.
- (9) The definition of “profits” in section 747(6)(b) does not apply to any reference in this paragraph to specified profits or to relevant profits for the purposes of section 799.

-
- 2A (1) Paragraph 2 above shall have effect in accordance with this paragraph to determine whether a controlled foreign company . . . pursues an acceptable distribution policy in respect of a particular accounting period (“the relevant accounting period”).
- (2) Subject to sub-paragraphs (4) and (4A) below, where the distribution condition is satisfied in relation to the relevant accounting period, then, in addition to any dividend which falls within paragraph 2(1)(a) above apart from this paragraph—
- (a) any dividend which is paid for the accounting period (“the preceding period”) immediately preceding the relevant accounting period and which is not an excluded dividend shall be treated as falling within that paragraph, and
 - (b) if the distribution condition is satisfied in relation to the preceding period, any dividend which is paid for the accounting period immediately preceding the preceding period and which is not an excluded dividend shall be treated as falling within that paragraph,
- and so on; and in this sub-paragraph “dividend” means a dividend not paid out of specified profits.
- (3) For the purposes of this paragraph, the distribution condition is satisfied in relation to any accounting period if—

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- (a) a dividend or dividends are paid for the period to persons resident in the United Kingdom,
 - (b) the amount or, as the case may be, aggregate amount of any dividends falling within paragraph (a) above is not less than—
 - (i) the relevant profits for that period, or
 - (ii) where paragraph 2(4) or (5) above applies (with the modifications of paragraph 2 made by sub-paragraph (5) below), the appropriate portion of those profits, and
 - (c) any dividends falling within that paragraph are paid not later than the time by which any dividend paid for the relevant accounting period is required by paragraph 2(1)(b) above to be paid;
- or if there are no relevant profits for the period.
- (4) Where, by reason only of the fact that a company pursued an acceptable distribution policy in respect of any accounting period (“the earlier period”) earlier than the relevant accounting period, no apportionment under section 747(3) fell to be made in respect of the earlier period, sub-paragraph (2) above shall apply to any dividend required to be taken into account for the purpose of showing that the company pursued an acceptable distribution policy in respect of the earlier period only to the extent (if any) to which that dividend was not required to be taken into account for that purpose.
- (4A) Sub-paragraph (2) does not apply where the distribution condition is satisfied in relation to the relevant accounting period, but—
- (a) the relevant profits for that period do not include income within sub-paragraph (4B), and
 - (b) if that income were included, the distribution condition would not be satisfied in relation to that period.
- (4B) The income within this sub-paragraph is—
- (a) any income which accrues during the relevant accounting period to the trustees of a settlement in relation to which the company is a settlor or a beneficiary, and
 - (b) any income which accrues during that period to a partnership of which the company is a partner, apportioned between the company and the other partners on a just and reasonable basis.
- (4C) Where there is more than one settlor or beneficiary in relation to the settlement mentioned in sub-paragraph (4B)(a), the income is to be apportioned between the company and the other settlors or beneficiaries on a just and reasonable basis.
- (4D) In sub-paragraph (4B)(b) “partnership” includes an entity established under the law of a country or territory outside the United Kingdom of a similar character to a partnership; and “partner” is to be read accordingly.
- (5) The modifications of paragraph 2 above referred to in sub-paragraph (3)(b) above are that—
- (a) the references in sub-paragraphs (4) and (5) to the accounting period in question are to be read as references to the accounting period for which the dividend or dividends are paid,
 - (b) the references in those sub-paragraphs to sub-paragraph (1)(d) are to be read as references to sub-paragraph (3)(b) above, and

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(c) the reference in the definition of “X” in sub-paragraph (6) to net chargeable profits is to be read as a reference to relevant profits.

(6)

(7)

(8) For the purposes of this paragraph—

- (aa) a dividend is an excluded dividend if it is paid, in whole or in part, out of the total profits from which (in accordance with section 747(6)(a)) the chargeable profits for an excluded period are derived,
- (a) a period is an excluded period if it is an accounting period in respect of which an apportionment under section 747(3) falls to be made, and
- (b) relevant profits for any accounting period are the profits which would be the relevant profits of that period for the purposes of section 799 if a dividend were actually paid for that period.

.....

2B (1) This paragraph has effect for the purposes of paragraph 2(1A)(b) above.

(2) No payment of dividend by a controlled foreign company for an accounting period shall be regarded as involved in a UK tax avoidance scheme by reason only that there is no charge to tax under section 747(4)(a) if the controlled foreign company pursues an acceptable distribution policy for that accounting period.

(3) “UK tax avoidance scheme” means a scheme or arrangement the purpose, or one of the main purposes, of which is to achieve a reduction in United Kingdom tax.

(4) A scheme or arrangement achieves a reduction in United Kingdom tax if, apart from the scheme or arrangement, any company—

- (a) would have been liable for any such tax or for a greater amount of any such tax; or
- (b) would not have been entitled to a relief from or repayment of any such tax or would have been entitled to a smaller relief from or repayment of any such tax.

(5) In this paragraph—

“arrangement” means an arrangement of any kind, whether in writing or not;

“United Kingdom tax” means corporation tax or any tax chargeable as if it were corporation tax.

.....

3 (1)

(2)

(3)

(4)

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(4A) Subject to sub-paragraph (5) below, for the purposes of this Part of this Schedule, the net chargeable profits of a controlled foreign company for any accounting period are—

- (a) its chargeable profits for that period, less
- (b) the amount (if any) which, if an apportionment under section 747(3) fell to be made in respect of the period, would be the company's unrestricted creditable tax for that period;

and for the purposes of this sub-paragraph “unrestricted creditable tax” in relation to a company's accounting period means the amount which would be its creditable tax for that period if the reference in section 751(6)(a) to Part XVIII did not include section 797.

(5) In any case where—

- (a) a controlled foreign company pays a dividend for any period out of specified profits, and
- (b) those profits represent dividends received by the company, directly or indirectly, from another controlled foreign company,

so much of those specified profits as is equal to the dividend referred to in paragraph (a) above shall be left out of account in determining, for the purposes of this Part of this Schedule, . . . the chargeable profits of the controlled foreign company referred to in that paragraph for any accounting period.

.....

4 (1) For the purposes of this Part of this Schedule, where—

- (a) a controlled foreign company pays a dividend (“the initial dividend”) to another company which is also not resident in the United Kingdom, and
- (b) that other company or another company which is related to it pays a dividend (“the subsequent dividend”) to a United Kingdom resident, and
- (c) *the subsequent dividend is paid at a time when the company paying it is not resident in the United Kingdom; and*
- (d) the subsequent dividend is paid out of profits which are derived, directly or indirectly, from the whole or part of the initial dividend,

so much of the initial dividend as is represented by the subsequent dividend shall be regarded as paid to the United Kingdom resident and shall be taken to satisfy the conditions in paragraph 2(1A) above.

(1A) A payment to a company shall not be a subsequent dividend within the meaning of sub-paragraph (1)(b) above unless it is taken into account in computing the company's income for corporation tax and—

- (a) it is chargeable neither under Chapter 2 of Part 3 of CTA 2009 as profits of a trade carried on wholly or partly in the United Kingdom nor under section 436A (gross roll-up business: separate charge on profits); or
- (b) if it is chargeable under Chapter 2 of Part 3 of CTA 2009 as profits of a trade carried on wholly or partly in the United Kingdom, or under section 436A, it is not involved in a UK tax avoidance scheme;

and paragraph 4A below has effect for the purposes of paragraph (b) above.

(2) For the purposes of this paragraph, one company is related to another if neither is resident in the United Kingdom and the other—

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- (a) controls directly or indirectly, or
- (b) is a subsidiary of a company which controls directly or indirectly, at least 10 per cent. of the voting power in the first-mentioned company; and where one company is so related to another and that other is so related to a third company, the first company is for the purposes of this paragraph related to the third, and so on where there is a chain of companies, each of which is related to the next.

-
- 4A (1) This paragraph has effect for the purposes of paragraph 4(1A)(b) above.
- (2) No payment to a company resident in the United Kingdom which represents the whole or part of a dividend paid by a controlled foreign company for an accounting period shall be regarded as involved in a UK tax avoidance scheme by reason only that—
- (a) there is no charge to tax under section 747(4)(a) if the controlled foreign company pursues an acceptable distribution policy for that accounting period, and
 - (b) so much of the dividend as is represented by that payment will (if paragraph 4(1) above has effect) fall to be brought into account in determining whether the controlled foreign company has done so.
- (3) “UK tax avoidance scheme” means a scheme or arrangement the purpose, or one of the main purposes, of which is to achieve a reduction in United Kingdom tax.
- (4) A scheme or arrangement achieves a reduction in United Kingdom tax if, apart from the scheme or arrangement, any company—
- (a) would have been liable for any such tax or for a greater amount of any such tax; or
 - (b) would not have been entitled to a relief from or repayment of any such tax or would have been entitled to a smaller relief from or repayment of any such tax.
- (5) In this paragraph—
- “arrangement” means an arrangement of any kind, whether in writing or not;
 - “United Kingdom tax” means corporation tax or any tax chargeable as if it were corporation tax.

PART II

EXEMPT ACTIVITIES

Modifications etc. (not altering text)

C202 Sch. 25 Pt. 2 modified (21.7.2009) by Finance Act 2009 (c. 10), Sch. 16 para. 17 (with Sch. 16 paras. 13-16, 18-20)

- 5 (1) The provisions of this Part of this Schedule have effect for the purposes of paragraph (b) of subsection (1) of section 748.

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[^{F3727}(1A) Except as provided in paragraph 8 below, the provisions of this Part of this Schedule apply in relation to a company which is resident in an EEA territory in the same way as they apply in relation to a company which is resident elsewhere.]

(2) In the case of a controlled foreign company—

- (a) which is, by virtue of section [^{F3728}749(5)], presumed to be resident in a territory in which it is subject to a lower level of taxation, and
- (b) the business affairs of which are, throughout the accounting period in question, effectively managed in a territory outside the United Kingdom other than one in which companies are liable to tax by reason of domicile, residence or place of management,

references in the following provisions of this Part of this Schedule to the territory in which that company is resident shall be construed as references to the territory falling within paragraph (b) above, or, if there is more than one, to that one of them which may be notified to the Board by the United Kingdom resident company or companies referred to in paragraph 4(2) of Schedule 24.

[^{F3729}(3) In the case of a controlled foreign company—

- (a) which is, by virtue of section 749(5), presumed to be resident in a territory in which it is subject to a lower level of taxation,
- (b) the business affairs of which are, throughout the accounting period in question, effectively managed in a special administrative region, and
- (c) which is liable to tax for that period in that region,

references in the following provisions of this Part of this Schedule to the territory in which that company is resident shall be construed as references to that region.

(4) In sub-paragraph (3) above “special administrative region” means the Hong Kong or the Macao Special Administrative Region of the People’s Republic of China.

(5) Where sub-paragraph (3) above applies, it applies in place of sub-paragraph (2).]

Textual Amendments

F3727Sch. 25 para. 5(1A) inserted (with effect in accordance with Sch. 15 para. 10 of the amending Act) by Finance Act 2007 (c. 11), Sch. 15 para. 7(2)

F3728Words in Sch. 25 para. 5(2)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 29; S.I. 1998/3173, art. 2

F3729Sch. 25 para. 5(3)-(5) inserted (with effect in accordance with s. 201(2) of the amending Act) by Finance Act 2003 (c. 14), s. 201(1)

6 (1) Throughout an accounting period a controlled foreign company is engaged in exempt activities if, and only if, each of the following conditions is fulfilled—

- (a) that, throughout that accounting period, the company has a business establishment in the territory in which it is resident; and
- (b) that, throughout that accounting period, its business affairs in that territory are effectively managed there; and
- (c) that any of sub-paragraphs [^{F3730}(2) or (3)] below applies to the company.

(2) This sub-paragraph applies to a company if—

- (a) at no time during the accounting period in question does the main business of the company consist of either—

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- (i) investment business, or
- (ii) dealing in goods for delivery to or from the United Kingdom or to or from connected or associated persons; and
- (b) in the case of a company which is mainly engaged in wholesale, distributive [^{F3731}financial or service] business in that accounting period, less than 50 per cent. of its gross trading receipts from that business is derived directly or indirectly from [^{F3732}persons falling within sub-paragraph (2A) below.]

[^{F3733}(2A) Those persons are—

- (a) persons who are connected or associated with the company;
- (b) persons who have a 25 per cent assessable interest in the company in the case of the accounting period in question; ^{F3734} . . .
- (c) if the company is a controlled foreign company in that accounting period by virtue of subsection (1A) of section 747, persons who are connected or associated with either or both of the two persons mentioned in that subsection [^{F3735};
- (d) persons not falling within paragraphs (a) to (c) above which are companies resident in the United Kingdom;
- (e) persons not falling within paragraphs (a) to (c) above which are companies not resident in the United Kingdom which carry on business through a [^{F3736}permanent establishment] in the United Kingdom;
- (f) persons not falling within paragraphs (a) to (c) above who are individuals habitually resident in the United Kingdom;

but where the company is a controlled foreign company falling within sub-paragraph (2B) below, paragraphs (d) to (f) above shall be disregarded.]]

[^{F3737}(2B) A controlled foreign company falls within this sub-paragraph if either—

- (a) its main business is the effecting or carrying out of contracts of long-term insurance, other than protection business; or
- (b) it is a member of an insurance group and its main business is insuring or reinsuring large risks.

Paragraph 11A below has effect for the interpretation of this sub-paragraph.

(2C) For the purposes of sub-paragraph (2)(b) above, a company's gross trading receipts from a business shall be regarded as directly or indirectly derived from a person falling within sub-paragraph (2A)(e) above only to the extent that they are derived directly or indirectly from contracts or other arrangements relating to that person's [^{F3736}permanent establishment] in the United Kingdom.]

(3) This sub-paragraph applies to a company which is a holding company if at least 90 per cent. of its gross income during the accounting period in question [^{F3738}is received by it in the territory in which it is resident and] is derived directly from companies which it controls and which, throughout that period—

- (a) are resident in the territory in which the holding company is resident; and
- (b) are not themselves holding companies [^{F3739}^{F3740} . . .], but otherwise are, in terms of this Schedule, engaged in exempt activities [^{F3741}or are, in terms of sub-paragraph (5A) below, exempt trading companies] ;

and a holding company to which this sub-paragraph applies is in this Part of this Schedule referred to as a “local holding company”.

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- (4) ^{F3742}
- [^{F3743}(4ZA) ^{F3742}]
- [^{F3744}(4A) ^{F3742}
- [^{F3742}]
- ^{F3745}(4AA)
- (4B) ^{F3742}]
- [^{F3746}(4BB) ^{F3742}]
- [^{F3747}(4C) For the purposes of sub-paragraph [^{F3748}(2A)(b)] above, a person has a 25 per cent. assessable interest in a controlled foreign company in the case of an accounting period of the company if, on an apportionment of the chargeable profits and creditable tax (if any) of the company for that accounting period under section 747(3), at least 25 per cent. of the controlled foreign company's chargeable profits for the accounting period would be apportioned to that person.]
- (5) Any reference in [^{F3749}sub-paragraph (3)] above to a company which a holding company [^{F3750}^{F3751} . . .] controls includes a reference to a trading company [^{F3752}to which sub-paragraph (5ZA) or (5ZB) below applies.
- (5ZA) This sub-paragraph applies to a trading company] in which the holding company [^{F3750}^{F3753} . . .] holds the maximum amount of ordinary share capital which is permitted under the law of the territory—
- (a) in which the trading company is resident; and
 - (b) from whose laws the trading company derives its status as a company.
- [^{F3754}(5ZB) This sub-paragraph applies to a trading company if—
- (a) it is a controlled foreign company by virtue of subsection (1A) of section 747; and
 - (b) the person who satisfies the requirement in paragraph (b) of that subsection in relation to the company also controls the holding company ^{F3755}]

[^{F3756}(5A) For the purposes of [^{F3757}sub-paragraph (3)] above, a company is an exempt trading company throughout any period if—

 - (a) it is a trading company throughout each of its accounting periods which falls wholly or partly within that period; and
 - (b) each of those accounting periods is one as regards which—
 - (i) the condition in section 747(1)(c) is not satisfied; or
 - (ii) the conditions in section 748(1)(e) are satisfied; or
 - (iii) the conditions in section 748(3)(a) and (b) are satisfied.]

[^{F3758}(5B) ^{F3759}]

[^{F3760}(5C) For the purposes of this paragraph, the gross income of a holding company ^{F3761} . . . during an accounting period includes—

 - (a) any income which accrues during that period to the trustees of a settlement in relation to which the company is a settlor or a beneficiary, and

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- (b) any income which accrues during that period to a partnership of which the company is a partner, apportioned between the company and the other partners on a just and reasonable basis.
- (5D) Where there is more than one settlor or beneficiary in relation to the settlement mentioned in sub-paragraph (5C)(a), the income is to be apportioned between the company and the other settlors or beneficiaries on a just and reasonable basis.
- (5E) In sub-paragraph (5C)(b) “partnership” includes an entity established under the law of a country or territory outside the United Kingdom of a similar character to a partnership; and “partner” is to be read accordingly.]
- (6) The following provisions of this Part of this Schedule have effect in relation to [^{F3762}this paragraph].

Textual Amendments

- F3730** Words in Sch. 25 para. 6(1)(c) substituted (with effect in accordance with Sch. 16 para. 12 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 16 para. 10(2)(a)** (with Sch. 16 paras. 13-20)
- F3731** Words in Sch. 25 para. 6(2)(b) substituted (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 5(2)(a)**
- F3732** Words in Sch. 25 para. 6(2)(b) substituted (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 5(2)(b)**
- F3733** Sch. 25 para. 6(2A) inserted (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 5(3)**
- F3734** Word in Sch. 25 para. 6(2A) repealed (retrospective to 27.11.2002 with effect in accordance with s. 200(2)(3) of the repealing Act) by Finance Act 2003 (c. 14), s. 200(4), Sch. 42 para. 2(3), **Sch. 43 Pt. 5(2)**
- F3735** Sch. 25 para. 6(2A)(d)-(f) and words inserted (retrospective to 27.11.2002 with effect in accordance with s. 200(2)(3) of the amending Act) by Finance Act 2003 (c. 14), s. 200(4), **Sch. 42 para. 2(3)**
- F3736** Words in Sch. 25 para. 6(2A)(e)(2C) substituted (with effect in accordance with s. 153(4) of the amending Act) by Finance Act 2003 (c. 14), **s. 153(1)(a)**
- F3737** Sch. 25 para. 6(2B)(2C) inserted (retrospective to 27.11.2002 with effect in accordance with s. 200(2)(3) of the amending Act) by Finance Act 2003 (c. 14), s. 200(4), **Sch. 42 para. 2(4)**
- F3738** Words in Sch. 25 para. 6(3) inserted (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 6(2)**
- F3739** Words in Sch. 25 para. 6(3)(b) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 30(4)(a)**; S.I. 1998/3173, **art. 2**
- F3740** Words in Sch. 25 para. 6(3)(b) omitted (with effect in accordance with Sch. 16 para. 12 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 10(2)(b)** (with Sch. 16 paras. 13-20)
- F3741** Words in Sch. 25 para. 6(3)(b) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 30(4)(b)**; S.I. 1998/3173, **art. 2**
- F3742** Sch. 25 para. 6(4)-(4BB) omitted (with effect in accordance with Sch. 16 para. 12 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 10(2)(c)** (with Sch. 16 paras. 13-20)
- F3743** Sch. 25 para. 6(4ZA) inserted (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 7(3)**
- F3744** Sch. 25 para. 6(4A)(4B) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 30(6)**; S.I. 1998/3173, **art. 2**
- F3745** Sch. 25 para. 6(4AA) inserted (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 7(5)**
- F3746** Sch. 25 para. 6(4BB) inserted (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 7(7)**
- F3747** Sch. 25 para. 6(4C) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 30(7)**; S.I. 1998/3173, **art. 2**

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- F3748** Words in Sch. 25 para. 6(4C) substituted (retrospective to 27.11.2002 with effect in accordance with s. 200(2)(3) of the amending Act) by Finance Act 2003 (c. 14), s. 200(4), **Sch. 42 para. 2(5)**
- F3749** Words in Sch. 25 para. 6(5) substituted (with effect in accordance with Sch. 16 para. 12 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 16 para. 10(2)(d)(i)** (with Sch. 16 paras. 13-20)
- F3750** Words in Sch. 25 para. 6(5) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 30(8)(b)**; S.I. 1998/3173, **art. 2**
- F3751** Words in Sch. 25 para. 6(5) omitted (with effect in accordance with Sch. 16 para. 12 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 10(2)(d)(ii)** (with Sch. 16 paras. 13-20)
- F3752** Words in Sch. 25 para. 6 inserted (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 7(8)**
- F3753** Words in Sch. 25 para. 6(5ZA) omitted (with effect in accordance with Sch. 16 para. 12 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 10(2)(e)** (with Sch. 16 paras. 13-20)
- F3754** Sch. 25 para. 6(5ZB) inserted (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 7(9)**
- F3755** Words in Sch. 25 para. 6(5ZB)(b) omitted (with effect in accordance with Sch. 16 para. 12 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 10(2)(f)** (with Sch. 16 paras. 13-20)
- F3756** Sch. 25 para. 6(5A) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 30(9)**; S.I. 1998/3173, **art. 2**
- F3757** Words in Sch. 25 para. 6(5A) substituted (with effect in accordance with Sch. 16 para. 12 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 16 para. 10(2)(g)** (with Sch. 16 paras. 13-20)
- F3758** Sch. 25 para. 6(5B) inserted (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 7(10)**
- F3759** Sch. 25 para. 6(5B) omitted (with effect in accordance with Sch. 16 para. 12 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 10(2)(h)** (with Sch. 16 paras. 13-20)
- F3760** Sch. 25 para. 6(5C)-(5E) inserted (with effect in accordance with s. 64(6)(9) of the amending Act) by Finance Act 2008 (c. 9), s. 64(5)
- F3761** Words in Sch. 25 para. 6(5C) omitted (with effect in accordance with Sch. 16 para. 12 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 10(2)(i)** (with Sch. 16 paras. 13-20)
- F3762** Words in Sch. 25 para. 6(6) substituted (with effect in accordance with Sch. 16 para. 12 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 16 para. 10(2)(j)** (with Sch. 16 paras. 13-20)

- 7 (1) For the purposes of paragraph 6(1)(a) above, a “business establishment”, in relation to a controlled foreign company, means premises—
- (a) which are, or are intended to be, occupied and used with a reasonable degree of permanence; and
 - (b) from which the company’s business in the territory in which it is resident is wholly or mainly carried on.
- (2) For the purposes of sub-paragraph (1) above the following shall be regarded as premises—
- (a) an office, shop, factory or other building or part of a building; or
 - (b) a mine, an oil or gas well, a quarry or any other place of extraction of natural resources; or
 - (c) a building site or the site of a construction or installation project;
- but such a site as is referred to in paragraph (c) above shall not be regarded as premises unless the building work or the project, as the case may be, has a duration of at least twelve months.
- 8 (1) Subject to sub-paragraph (4) below, the condition in paragraph 6(1)(b) above shall not be regarded as fulfilled [^{F3763}in relation to a company which is not resident in an EEA territory] unless—

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- (a) the number of persons employed by the company in the territory in which it is resident is adequate to deal with the volume of the company's business; and
 - (b) any services provided by the company for persons resident outside that territory are not in fact performed in the United Kingdom.
- (2) For the purposes of sub-paragraph (1)(a) above, persons who are engaged wholly or mainly in the business of the company and whose remuneration is paid by a person connected with, and resident in the same territory as, the company shall be treated as employed by the company.
- (3) In the case of a holding company [^{F3764}F³⁷⁶⁵ . . .], sub-paragraph (2) above shall apply with the omission of the words “wholly or mainly”.
- (4) For the purposes of sub-paragraph (1)(b) above, no account shall be taken of services—
- (a) provided through a [^{F3766}permanent establishment] of the controlled foreign company if the profits or gains of the business carried on through the [^{F3766}permanent establishment] are within the charge to tax in the United Kingdom; or
 - (b) provided through any other person whose profits or gains from the provision of the services are within the charge to tax in the United Kingdom and who provides the services for a consideration which is, or which is not dissimilar from what might reasonably be expected to be, determined under a contract entered into at arm's length; or
 - (c) which are no more than incidental to services provided outside the United Kingdom.
- ^{F3767}(5) The condition in paragraph 6(1)(b) above shall not be regarded as fulfilled in relation to a company which is resident in an EEA territory unless there are sufficient individuals working for the company in the territory who have the competence and authority to undertake all, or substantially all, of the company's business.
- (6) For the purposes of sub-paragraph (5) above, individuals are not to be regarded as working for a company in any territory unless—
- (a) they are employed by the company in the territory, or
 - (b) they are otherwise directed by the company to perform duties on its behalf in the territory.]

Textual Amendments

F3763 Words in Sch. 25 para. 8(1) inserted (with effect in accordance with Sch. 15 para. 10 of the amending Act) by Finance Act 2007 (c. 11), **Sch. 15 para. 7(3)**

F3764 Words in Sch. 25 para. 8(3) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 31(2)**; S.I. 1998/3173, **art. 2**

F3765 Words in Sch. 25 para. 8(3) omitted (with effect in accordance with Sch. 16 para. 12 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 10(3)** (with Sch. 16 paras. 13-20)

F3766 Words in Sch. 25 para. 8(4)(a) substituted (with effect in accordance with s. 153(4) of the amending Act) by Finance Act 2003 (c. 14), **s. 153(1)(a)**

F3767 Sch. 25 para. 8(5)(6) inserted (with effect in accordance with Sch. 15 para. 10 of the amending Act) by Finance Act 2007 (c. 11), **Sch. 15 para. 7(4)**

- 9 (1) Subject to sub-paragraph (3) below, for the purposes of paragraph 6(2)(a)(i) above, each of the following activities constitutes investment business—

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- (a) the holding of securities, [^{F3768}or intellectual property];
- (b) dealing in securities, other than in the capacity of a broker;
- (c) the leasing of any description of property or rights; and
- (d) the investment in any manner of funds which would otherwise be available, directly or indirectly, for investment by or on behalf of any person (whether resident in the United Kingdom or not) who has, or is connected or associated with a person who has, control, either alone or together with other persons, of the controlled foreign company in question.

[^{F3769}[^{F3770}(1A) In sub-paragraph (1)(a) above “intellectual property” includes (in particular)—

- (a) any industrial, commercial or scientific information, knowledge or expertise;
- (b) any patent, trade mark, registered design, copyright or design right;
- (c) any licence or other right in respect of intellectual property;
- (d) any rights under the law of a country outside the United Kingdom which correspond or are similar to those falling within paragraph (b) or (c) above.]]

(2) In sub-paragraph (1)(b) above “broker” includes any person offering to sell securities to, or purchase securities from, members of the public generally.

(3) For the purposes of paragraph 6(2) above, in the case of a company which is mainly engaged in [^{F3771}business] falling within paragraph 11(1)(c) below, nothing in sub-paragraph (1) above shall require the main business of the company to be regarded as investment business.

Textual Amendments

F3768 Words in Sch. 25 para. 9(1)(a) substituted (1.8.1989) by [Copyright, Designs and Patents Act 1988 \(c. 48\)](#), s. 305(3), [Sch. 7 para. 36\(9\)](#); S.I. 1989/816, [art. 2](#)

F3769 Sch. 25 para. 9(1A) inserted (1.8.1989) by [Copyright, Designs and Patents Act 1988 \(c. 48\)](#), s. 305(3), [Sch. 7 para. 36\(9\)](#); S.I. 1989/816, [art. 2](#)

F3770 Sch. 25 para. 9(1A) substituted (with effect in accordance with s. 112(5) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [s. 112\(2\)](#)

F3771 Word in Sch. 25 para. 9(3) substituted (with effect in accordance with s. 112(5) of the amending Act) by [Finance Act 1998 \(c. 36\)](#), [s. 112\(4\)\(a\)](#)

10 Goods which are actually delivered into the territory in which the controlled foreign company is resident shall not be taken into account for the purposes of paragraph 6(2)(a)(ii) above.

11 (1) For the purposes of paragraph 6(2)(b) above, each of the following activities constitutes wholesale, distributive [^{F3772}financial or service] business—

- (a) dealing in any description of goods wholesale rather than retail;
- (b) the business of shipping or air transport, that is to say, the business carried on by an owner of ships or the business carried on by an owner of aircraft (“owner” including, for this purpose, any charterer);

[^{F3773}(c) banking, deposit-taking, money-lending or debt-factoring, or any business similar to banking, deposit-taking, money-lending or debt-factoring;]

- (d) the administration of trusts;
- (e) dealing in securities in the capacity of a broker, as defined in paragraph 9(2) above;
- (f) dealing in commodity or financial futures;^{F3774} . . .

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- [^{F3775}(g) the effecting or carrying out of contracts of insurance; and]
- [^{F3776}(h) the provision of services not falling within any of the preceding paragraphs.]

[^{F3777}(1A) For the purposes of sub-paragraph (1)(g) above “contract of insurance” has the meaning given by Article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.]

(2) In a case where the gross trading receipts of a company include an amount in respect of the proceeds of sale of any description of property or rights, the cost to the company of the purchase of that property or those rights shall be a deduction in calculating the company’s gross trading receipts for the purposes of paragraph 6(2)(b) above.

(3) In the case of a controlled foreign company engaged in a [^{F3778}business] falling within sub-paragraph (1)(c) above—

[^{F3779}(a) no payment of interest received from a company resident in the United Kingdom which is connected or associated with the controlled foreign company shall be regarded for the purposes of paragraph 6(2)(b) above as a receipt derived directly or indirectly from a person falling within paragraph 6(2A) above, but]

(b) it shall be conclusively presumed that the condition in paragraph 6(2)(b) above is not fulfilled if, at any time during the accounting period in question, the amount by which the aggregate value of the capital interests in the company held directly or indirectly by—

(i) the persons who have control of the company, and

(ii) any person connected or associated with those persons,

exceeds the value of the company’s fixed assets is 15 per cent. or more of the amount by which the company’s outstanding capital exceeds that value [^{F3780}, and

(c) it shall also be conclusively presumed that the condition in paragraph 6(2)(b) is not fulfilled if 10% or more of the company’s gross trading receipts from all businesses carried on by it in the accounting period in question, taken together, are receipts other than interest and are directly or indirectly derived from persons—

(i) which are companies resident in the United Kingdom,

(ii) which are companies not resident in the United Kingdom but which carry on business through a [^{F3781}permanent establishment] in the United Kingdom, or

(iii) who are individuals habitually resident in the United Kingdom,

but for this purpose a company’s gross trading receipts shall be regarded as directly or indirectly derived from a person falling within sub-paragraph (ii) above only to the extent that they are derived directly or indirectly from contracts or other arrangements relating to that person’s [^{F3781}permanent establishment] in the United Kingdom.]

(4) For the purposes of this paragraph, in relation to a controlled foreign company—

(a) “capital interest” means an interest in the issued share capital or reserves of the company or in a loan to or deposit with the company or the liability of a guarantor under a guarantee given to or for the benefit of the company;

(b) except in the case of the liability of a guarantor, the value of a capital interest is its value as shown in the company’s accounts;

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- (c) in the case of the liability of a guarantor, the value shall be taken to be the market value of the benefit which the controlled foreign company derives from the provision of the guarantee;
 - (d) the value of the company's fixed assets means the value, as shown in the company's accounts, of the plant, premises and trade investments employed in the company's business; and
 - (e) "outstanding capital" means the total value of all the capital interests in the company, less the value, as shown in the company's accounts, of any advances made by the company to persons resident outside the United Kingdom and falling within paragraph (i) or paragraph (ii) of sub-paragraph (3)(b) above.
- (5) For the purposes of sub-paragraph (4) above—
- (a) "trade investments", in relation to a controlled foreign company, means securities any profit on the sale of which would not be brought into account as a trading receipt in computing the chargeable profits of an accounting period in which that profit arose; and
 - (b) the reference in paragraph (e) to advances made to a person by the controlled foreign company includes, in the case of a company which is a person resident outside the United Kingdom and falling within paragraph (i) or paragraph (ii) of sub-paragraph (3)(b) above, any securities of that company which are held by the controlled foreign company but are not trade investments, as defined in paragraph (a) above;
- and in this sub-paragraph "securities" includes stocks and shares.
- (6) In the application of paragraph 6(2)(b) above in the case of a controlled foreign company engaged in insurance business of any kind—
- (a) the reference to gross trading receipts which are derived directly or indirectly from connected or associated persons is a reference to those which, subject to sub-paragraph (7) below, are attributable, directly or indirectly, to liabilities undertaken in relation to any of those persons or their property;
 - (b) the only receipts to be taken into account are commissions and premiums received under insurance contracts;
 - (c) so much of any such commission or premium as is returned is not to be taken into account; and
 - (d) when a liability under an insurance contract is reinsured, in whole or in part, the amount of the premium which is attributable, directly or indirectly, to that liability shall be treated as reduced by so much of the premium under the reinsurance contract as is attributable to that liability.
- (7) In determining, in relation to a controlled foreign company to which sub-paragraph (6) above applies, the gross trading receipts referred to in paragraph (a) of that sub-paragraph, there shall be left out of account any receipts under a local reinsurance contract which are attributable to liabilities which—
- (a) are undertaken under an insurance contract made in the territory in which the company is resident; and
 - (b) are not reinsured under any contract other than a local reinsurance contract; and
 - (c) relate either to persons who are resident in that territory and are neither connected nor associated with the company or to property which is situated there and belongs to persons who are not so connected or associated;

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- and in paragraph (a) above “insurance contract” does not include a reinsurance contract.
- (8) In sub-paragraph (7) above “local reinsurance contract” means a reinsurance contract—
- (a) which is made in the territory in which the controlled foreign company is resident; and
 - (b) the parties to which are companies which are resident in that territory.
- (9) For the purposes of sub-paragraphs (7) and (8) above, any question as to the territory in which a company is resident shall be determined in accordance with section 749 and, where appropriate, paragraph 5(2) above; and, for the purpose of the application of those provisions in accordance with this sub-paragraph, the company shall be assumed to be a controlled foreign company.

Textual Amendments

- F3772** Words in Sch. 25 para. 11(1) substituted (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 8(2)(a)**
- F3773** Sch. 25 para. 11(1)(c) substituted (with effect in accordance with s. 112(5) of the amending Act) by Finance Act 1998 (c. 36), **s. 112(3)**
- F3774** Word preceding Sch. 25 para. 11(1)(g) repealed (with effect in accordance with Sch. 31 para. 9(4) of the repealing Act) by Finance Act 2000 (c. 17), Sch. 31 para. 8(2)(b), **Sch. 40 Pt. 2(14)**, Note
- F3775** Sch. 25 para. 11(1)(g) substituted (1.12.2001 with effect in accordance with art. 1(2)(a) of the amending S.I.) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2000/3629), **art. 51(2)**
- F3776** Sch. 25 para. 11(1)(h) and preceding word added (with effect in accordance with Sch. 31 para. 9(4) of the amending Act) by Finance Act 2000 (c. 17), **Sch. 31 para. 8(2)(c)**
- F3777** Sch. 25 para. 11(1A) inserted (1.12.2001 with effect in accordance with art. 1(2)(a) of the amending S.I.) by The Financial Services and Markets Act 2000 (Consequential Amendments) (Taxes) Order 2001 (S.I. 2000/3629), **art. 51(3)**
- F3778** Word in s. 11(3) substituted (with effect in accordance with s. 112(5) of the amending Act) by Finance Act 1998 (c. 36), **s. 112(4)(b)**
- F3779** Sch. 25 para. 11(3)(a) substituted (retrospective to 27.11.2002 with effect in accordance with s. 200(2) (3) of the amending Act) by Finance Act 2003 (c. 14), s. 200(4), **Sch. 42 para. 3(2)**
- F3780** Sch. 25 para. 11(3)(c) and preceding word added (retrospective to 27.11.2002 with effect in accordance with s. 200(2)(3) of the amending Act) by Finance Act 2003 (c. 14), s. 200(4), **Sch. 42 para. 3(3)**
- F3781** Words in Sch. 25 para. 11(3)(c) substituted (with effect in accordance with s. 153(4) of the amending Act) by Finance Act 2003 (c. 14), **s. 153(1)(a)**

^{F3782} 1(A) This paragraph has effect for the interpretation of paragraph 6(2B) above.

- (2) “Contract of long-term insurance” means any contract falling within Part II of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.
- (3) “Protection business” means contracts of long-term insurance where—
- (a) either—
 - (i) the contract has no surrender value; or
 - (ii) the consideration consists of a single premium and the surrender value does not exceed the amount of that premium; and
 - (b) the contract makes no provision for its conversion or extension in a manner which would result in its ceasing to fall within paragraph (a) above;

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and references to protection business include a reference to reinsurance of protection business.

[^{F3783}(4) “Insurance group” shall be construed in accordance with section 1165(5) of the Companies Act 2006, but does not include such an insurance group if it falls within sub-paragraph (5) below.]

(5) Such an insurance group falls within this sub-paragraph if ^{F3784} . . . the parent company is a subsidiary undertaking of a parent company which is neither—

- (a) the parent company of an insurance group; nor
- (b) a subsidiary undertaking of the parent company of an insurance group.

(6) A controlled foreign company is, in accordance with sub-paragraphs (4) and (5) above, a “member of an insurance group” if (within the meaning of that Part as so read) it is the parent company, or a subsidiary undertaking of the parent company, of an insurance group which is by virtue of sub-paragraph (4) above an insurance group for the purposes of paragraph 6(2B) above.

(7) A company’s main business is “insuring or reinsuring large risks” if (and only if)—

- (a) the company’s main business is the effecting or carrying out of contracts of insurance; and
- (b) 50% or more of its gross trading receipts from that business are derived from insuring or reinsuring large risks.

“Large risks” is defined in paragraph 11B below.

(8) In this paragraph—

“contract of insurance” has the meaning given by article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

“contract of long-term insurance” has the meaning given by sub-paragraph (2) above.

Textual Amendments

F3782Sch. 25 paras. 11A, 11B inserted (retrospective to 27.11.2002 with effect in accordance with s. 200(2) (3) of the amending Act) by Finance Act 2003 (c. 14), s. 200(4), Sch. 42 para. 4

F3783Sch. 25 para. 11A(4) substituted (6.4.2008 with effect in accordance with art. 1(2) of the amending S.I.) by The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2008 (S.I. 2008/954), arts. 1(1), 14(2)(a) (with art. 4)

F3784Words in Sch. 25 para. 11A(5) repealed (6.4.2008 with effect in accordance with art. 1(2) of the repealing S.I.) by The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2008 (S.I. 2008/954), arts. 1(1), 14(2)(b), Sch. (with art. 4)

11B (1) In paragraph 11A above “large risks” means—

- (a) risks falling within classes 4, 5, 6, 7, 11 and 12 of Part I of Schedule 1 to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;
- (b) risks falling within classes 14 and 15 of that Part which relate to a business carried on by the policy holder;
- (c) risks falling within classes 3, 8, 9, 10, 13 and 16 of that Part where the policy holder carries on a business in respect of which the condition specified in sub-paragraph (2) below is satisfied.

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- (2) The condition referred to in sub-paragraph (1)(c) above is that, in the case of that business of the policy holder, at least two of the three following criteria were exceeded in the most recent financial year beginning on or after 1st January 1999 for which the information is available—
- (a) balance sheet total: 6.2 million euros;
 - (b) net turnover: 12.8 million euros;
 - (c) number of employees: 250.
- (3) For the purposes of sub-paragraph (2) above as it applies where the policy holder is a company, within the meaning of section [F3785]1 of the Companies Act [F3785]2006[F3786] . . .,—
- (a) “balance sheet total” has the meaning given by [F3787]sections 382(5) and 465(5) of the Companies Act 2006];
 - (b) “net turnover” has the meaning given to “turnover” by [F3788]section 474(1) of that Act]; and
 - (c) “number of employees” has the meaning given by [F3789]sections 382(6) and 465(6) of that Act];
- and for a financial year which is a company’s financial year but not in fact a year, the net turnover of the company shall be proportionately reduced.
- (4) Where the policy holder is a member of a group for which consolidated accounts (within the meaning of Directive 83/349/EEC) are drawn up, the question whether the condition in sub-paragraph (2) above is met shall be determined by reference to those accounts.
- (5) For the purposes of sub-paragraph (1)(c) above as it applies where the policy holder is a professional association, joint venture or temporary grouping, the question whether the condition in sub-paragraph (2) above is met shall be determined by reference to the aggregate of the figures of the description in question for all the members of the professional association, joint venture or temporary grouping.
- (6) In sub-paragraphs (1) to (5) above “business” includes a trade or profession and, for the purposes of sub-paragraph (1)(c) above, any activity of a professional association, joint venture or temporary grouping.
- (7) For the purposes of this paragraph, where an amount is denominated in any accounts in a currency other than the euro, it shall be converted into its equivalent in euros using the London closing exchange rate for that currency and the euro for the last day of the period to which the accounts relate.
- (8) In this paragraph—
- “euro” means the single currency adopted or proposed to be adopted as its currency by a member State in accordance with the Treaty establishing the European Community;
- “financial year”, in relation to any person, means the period (not exceeding 12 months) for which that person makes up accounts.]

Textual Amendments

F3782Sch. 25 paras. 11A, 11B inserted (retrospective to 27.11.2002 with effect in accordance with s. 200(2) (3) of the amending Act) by Finance Act 2003 (c. 14), s. 200(4), Sch. 42 para. 4

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- F3785** Words in Sch. 25 para. 11B(3) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2009 (S.I. 2009/1890), arts. 1, 3(5)(c)
- F3786** Words in Sch. 25 para. 11B(3) omitted (1.10.2009) by virtue of The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2009 (S.I. 2009/1890), arts. 1, 3(5)(c)
- F3787** Words in Sch. 25 para. 11B(3)(a) substituted (6.4.2008 with effect in accordance with art. 1(2) of the amending S.I.) by The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2008 (S.I. 2008/954), arts. 1(1), 14(3)(a) (with art. 4)
- F3788** Words in Sch. 25 para. 11B(3)(b) substituted (6.4.2008 with effect in accordance with art. 1(2) of the amending S.I.) by The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2008 (S.I. 2008/954), arts. 1(1), 14(3)(b) (with art. 4)
- F3789** Words in Sch. 25 para. 11B(3)(c) substituted (6.4.2008 with effect in accordance with art. 1(2) of the amending S.I.) by The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2008 (S.I. 2008/954), arts. 1(1), 14(3)(c) (with art. 4)

- 12 (1) Subject to sub-paragraph (2) below, in paragraphs 6 and 8(3) above and [F3790[F3791in]] sub-paragraphs (4) and (5) below “holding company” means—
- (a) a company the business of which consists wholly or mainly in the holding of shares or securities of companies which are either local holding companies and its 90 per cent. subsidiaries or trading companies and either its 51 per cent. subsidiaries or companies falling within paragraph 6(5) above; or
 - (b) a company which would fall within paragraph (a) above if there were disregarded so much of its business as consists in the holding of property or rights of any description for use wholly or mainly by companies which it controls and which are resident in the territory in which it is resident.
- (2) In determining whether a company is a holding company for the purposes of paragraph 6(3) above (and, accordingly, whether the company is or may be a local holding company), sub-paragraph (1) above shall have effect with the omission from paragraph (a) thereof of the words “either local holding companies and its 90 per cent. subsidiaries or”.
- (3) In its application for the purposes of this paragraph, [F3792 section 1154 of CTA 2010 has effect with the omission of the following—
- (a) in subsection (2), the words “or indirectly”, and
 - (b) subsection (5).]

(4) For the purposes of sub-paragraph (3) F3793 . . . of paragraph 6 above, as it applies in relation to a holding company part of whose business consists of activities other than the holding of shares or securities or the holding of property or rights as mentioned in paragraph (a) or (b) of sub-paragraph (1) above, the company’s gross income during any accounting period shall be determined as follows—

 - (a) there shall be left out of account so much of what would otherwise be the company’s gross income as is derived from any activity which, if it were the business in which the company is mainly engaged, would be such that paragraph 6(2) above would apply to the company; and
 - (b) to the extent that the receipts of the company from any other activity include receipts from the proceeds of sale of any description of property or rights, the cost to the company of the purchase of that property or those rights shall (to the extent that the cost does not exceed the receipts) be a deduction in calculating the company’s gross income, and no other deduction shall be made in respect of that activity.

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- (5) For the purposes of [^{F3794}sub-paragraph (3)] of paragraph 6 above, so much of the income of a holding company as—
- (a) is derived directly from another company which it controls and which is not a holding company [^{F3795F3796} . . .] but otherwise is, in terms of this Schedule, engaged in exempt activities [^{F3797}or, in terms of sub-paragraph (5A) of that paragraph, is an exempt trading company], and
 - (b) was or could have been paid out of any non-trading income of that other company which is derived directly or indirectly from a third company connected or associated with it,
- shall be treated, in relation to the holding company, as if it were not derived directly from companies which it controls.
- (6) The reference in sub-paragraph (5) above to the non-trading income of a company is a reference to so much of its income as, if the company were carrying on its trade in the United Kingdom, would not be within the charge to corporation tax under [^{F3798}section 35 of CTA 2009].

Textual Amendments

- F3790** Words in Sch. 25 para. 12(1) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 32(2)**; S.I. 1998/3173, **art. 2**
- F3791** Word in Sch. 25 para. 12(1) substituted (with effect in accordance with Sch. 16 para. 12 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 16 para. 10(4)(a)** (with Sch. 16 paras. 13-20)
- F3792** Words in Sch. 25 para. 12(3) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), **Sch. 1 para. 147(3)** (with Sch. 2)
- F3793** Words in Sch. 25 para. 12(4) omitted (with effect in accordance with Sch. 16 para. 12 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 10(4)(b)** (with Sch. 16 paras. 13-20)
- F3794** Words in Sch. 25 para. 12(5) substituted (with effect in accordance with Sch. 16 para. 12 of the amending Act) by Finance Act 2009 (c. 10), **Sch. 16 para. 10(4)(c)(i)** (with Sch. 16 paras. 13-20)
- F3795** Words in Sch. 25 para. 12(5)(a) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 32(3)(a)**; S.I. 1998/3173, **art. 2**
- F3796** Words in Sch. 25 para. 12(5)(a) omitted (with effect in accordance with Sch. 16 para. 12 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 10(4)(c)(ii)** (with Sch. 16 paras. 13-20)
- F3797** Words in Sch. 25 para. 12(5)(a) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 32(3)(b)**; S.I. 1998/3173, **art. 2**
- F3798** Words in Sch. 25 para. 12(6) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), **Sch. 1 para. 287(5)** (with Sch. 2 Pts. 1, 2)

[^{F3799}12A ^{F3800}]

Textual Amendments

- F3799** Sch. 25 para. 12A inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 33**; S.I. 1998/3173, **art. 2**
- F3800** Sch. 25 para. 12A omitted (with effect in accordance with Sch. 16 para. 12 of the repealing Act) by virtue of Finance Act 2009 (c. 10), **Sch. 16 para. 10(5)** (with Sch. 16 paras. 13-20)

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^{F3801} PART 2A

TRADING COMPANIES WITH LIMITED UK CONNECTION

Textual Amendments

F3801 Sch. 25 Pts. 2A, 2B (paras. 12B-12N) inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), Sch. 12 para. 3

Introductory

- 12B (1) For the purposes of section 748(1)(ba), a controlled foreign company (“C”) is exempt for an accounting period if the requirements of this Part of this Schedule are satisfied.
- (2) The requirements are those imposed as to C's—
- (a) business establishment (see paragraph 12C),
 - (b) business activities (see paragraph 12D),
 - (c) UK connection (see paragraph 12E), and
 - (d) finance income and relevant IP income (see paragraph 12F).

Business establishment

- 12C (1) The requirement of this paragraph is that throughout the accounting period C has a business establishment in the territory in which it is resident.
- (2) For the purposes of sub-paragraph (1)—
- (a) paragraph 5(2) to (5) (special rules about residence of the company) applies as it applies for the purposes of Part 2 of this Schedule, and
 - (b) paragraph 7 (meaning of “business establishment”) applies as it applies for the purposes of paragraph 6(1)(a).

Business activities

- 12D (1) The requirement of this paragraph is that—
- (a) C's business does not, at any time during the accounting period, include to a substantial extent non-exempt activities, or
 - (b) if C is wholly engaged in business falling within paragraph 11(1)(c) (banking etc), C's business does not, at any time during the accounting period, include to a substantial extent non-exempt activities which do not constitute investment business.
- (2) For this purpose—
- “non-exempt activities” means—
- (a) the holding or managing of shares or securities,
 - (b) the holding of intellectual property,
 - (c) dealing in securities, other than in the capacity of a broker,
 - (d) the leasing of any description of property or rights,
 - (e) the investment in any manner of funds which would otherwise be available, directly or indirectly, for investment by or on behalf of any person (whether resident in the United Kingdom or not) who has, or is

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connected or associated with a person who has, control, either alone or together with other persons, of C, and

- (f) if C is not a member of an insurance group throughout the accounting period, the effecting or carrying out of contracts of insurance between C and persons related to C;

“investment business” means activities within paragraphs (a) to (d) of paragraph 9(1).

- (3) For the purposes of sub-paragraph (2)(f), a person is “related” to C if—
- (a) the person is connected or associated with C,
 - (b) the person has a 25 per cent assessable interest in C in the case of the accounting period in question (within the meaning of paragraph 6(4C)), or
 - (c) if C is a controlled foreign company in that accounting period by virtue of subsection (1A) of section 747, the person is connected or associated with either or both of the two persons mentioned in that subsection.

- (4) In sub-paragraph (2)—

“broker” includes any person offering to sell securities to, or purchase securities from, members of the public generally;

“contract of insurance” has the meaning given by Article 3(1) of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001;

“insurance group” has the meaning given by paragraph 11A(4);

“intellectual property” is to be construed in accordance with paragraph 9(1A);

“member of an insurance group” has the meaning given by paragraph 11A(6).

UK connection

- 12E (1) The requirement of this paragraph is that C does not have a significant connection with the United Kingdom during the accounting period.
- (2) C has a significant connection with the United Kingdom during the accounting period if Condition A or B is met.
- (3) Condition A is that—
- (a) the UK-connected gross income of C's business for that period exceeds 10% of the gross income of that business for that period, and
 - (b) sub-paragraph (4) does not apply.
- (4) This sub-paragraph applies if—
- (a) at all times in the accounting period there are sufficient individuals working for C in the territory in which it is resident, or in any other territory outside of the United Kingdom, who have the competence and authority to undertake all, or substantially all, of C's business,
 - (b) C's relevant profits for the accounting period do not exceed 10% of C's relevant operating expenses for that period, and
 - (c) the UK-connected gross income of C's business for that period does not exceed 50% of the gross income of that business for that period.
- (5) Condition B is that—

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- (a) the UK-connected related-party business expenditure of C's business for that period exceeds 50% of the total related-party business expenditure of C's business for that period, and
 - (b) during the accounting period C has been involved in a scheme where the main purpose, or one of the main purposes, of any party to the scheme in entering into the scheme is to achieve a reduction in corporation tax or any tax chargeable as if it were corporation tax.
- (6) For the purposes of sub-paragraph (4)(a), individuals are not to be regarded as working for C in any territory unless—
- (a) they are employed by C in the territory, or
 - (b) they are otherwise directed by C to perform duties on its behalf in the territory.
- (7) In this paragraph—
- “related-party business expenditure” means any expenditure, other than capital expenditure, which gives rise, directly or indirectly, to income of a person related to C;
- “relevant profits”, for an accounting period, means the total profits of C for that period calculated in accordance with generally accepted accounting practice (disregarding any capital gains or losses), but before any deduction for interest or tax;
- “relevant operating expenses” of C means operating expenses of C other than—
- (a) the cost of goods sold, and
 - (b) related-party business expenditure;
- “scheme” means any scheme, arrangements or understanding of any kind whatever, whether or not legally enforceable, involving one or more transactions;
- “UK-connected gross income” means the gross income derived, directly or indirectly, from persons who are within the charge to United Kingdom tax for all or part of the accounting period;
- “UK-connected related-party business expenditure” means related-party business expenditure which gives rise, directly or indirectly, to income of a person within the charge to United Kingdom tax in respect of that income;
- “United Kingdom tax” means income tax or corporation tax;
- and paragraph 12D(3) (persons “related” to C) applies for the purposes of this paragraph as it applies for the purposes of paragraph 12D(2)(f).
- (8) In the case of a company which is within the charge to United Kingdom tax only because it carries on a trade in the United Kingdom through a permanent establishment there, for the purposes of sub-paragraph (7)—
- (a) the gross income derived from that company is so much of the gross income as is attributable to that establishment, and
 - (b) the income received by that company is such of its income as is attributable to that establishment.

Finance income and relevant IP income

- 12F (1) The requirement of this paragraph is that not more than 5% of C's gross income for the accounting period falls within sub-paragraph (2).

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- (2) Gross income falls within this sub-paragraph to the extent that it is—
 - (a) finance income, or
 - (b) relevant IP income.
- (3) “Finance income” means—
 - (a) any amount which in accordance with UK generally accepted accounting practice falls to be recognised as arising from a financial asset, and
 - (b) any return, in relation to an amount, which—
 - (i) is produced for C by an arrangement to which C is party, and
 - (ii) is economically equivalent to interest,
 except to the extent that the return is taken into account in determining an amount within paragraph (a).
- (4) “Relevant IP income” means royalties and receipts of a similar nature arising from intellectual property.
- (5) For the purposes of sub-paragraph (3)(b), the amount of a return is the amount which by virtue of the return would, in calculating C's chargeable profits, be treated under section 486B of CTA 2009 (disguised interest to be regarded as profit from loan relationship) as a profit arising to C from a loan relationship.
- (6) But, in calculating that profit for the purposes of sub-paragraph (5), sections 486B(7) and 486C to 486E of CTA 2009 are to be ignored.
- (7) In this paragraph—
 - “economically equivalent to interest” is to be construed in accordance with section 486B(2) and (3) of CTA 2009;
 - “financial asset” means a financial asset as defined for the purposes of UK generally accepted accounting practice or international accounting standards;
 - “intellectual property” is to be construed in accordance with paragraph 9(1A).

Gross income

- 12G (1) References in this Part of this Schedule to C's gross income are to be construed in accordance with this paragraph.
- (2) C's gross income for an accounting period does not include—
 - (a) any distribution that would not be included in C's chargeable profits by reason of it being exempt for the purposes of Part 9A of CTA 2009 (see section 931A of that Act), or
 - (b) any amount that would be taken into account in computing chargeable gains if C were within the charge to corporation tax.
 - (3) C's gross income for an accounting period includes—
 - (a) any income which accrues during that period to the trustees of a settlement in relation to which C is a settlor or a beneficiary, and
 - (b) any income which accrues during that period to a partnership of which C is a partner, apportioned between C and the other partners on a just and reasonable basis.

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- (4) Where there is more than one settlor or beneficiary in relation to the settlement mentioned in sub-paragraph (3)(a), the income is to be apportioned between C and the other settlors or beneficiaries on a just and reasonable basis.
- (5) In this paragraph—
- “distribution” has the same meaning as in the Corporation Tax Acts (see Part 23 of CTA 2010);
 - “partnership” includes an entity established under the law of a country or territory outside the United Kingdom of a similar character to a partnership; and
 - “partner” is to be read accordingly.

PART 2B

COMPANIES EXPLOITING INTELLECTUAL PROPERTY WITH LIMITED UK CONNECTION

Introductory

- 12H (1) For the purposes of section 748(1)(bb), a company (“C”) is exempt for an accounting period if the requirements of this Part of this Schedule are satisfied.
- (2) The requirements are those imposed as to C's—
- (a) business establishment (see paragraph 12I),
 - (b) intellectual property business (see paragraph 12J),
 - (c) other business activities (see paragraph 12K),
 - (d) UK connection (see paragraph 12L), and
 - (e) finance income (see paragraph 12M).

Business establishment

- 12I (1) The requirement of this paragraph is that throughout the accounting period C has a business establishment in the territory in which it is resident.
- (2) For the purposes of sub-paragraph (1)—
- (a) paragraph 5(2) to (5) (special rules about residence of the company) applies as it applies for the purposes of Part 2 of this Schedule, and
 - (b) paragraph 7 (meaning of “business establishment”) applies as it applies for the purposes of paragraph 6(1)(a).

Intellectual property business

- 12J (1) The requirement of this paragraph is that C's main business, throughout the accounting period, consists of the exploitation of intellectual property which does not have a relevant UK connection.
- (2) For the purposes of sub-paragraph (1), if any part of C's main business consists of the exploitation of intellectual property which has a relevant UK connection, that part is to be ignored if it is an insignificant part of C's main business.
- (3) Intellectual property has a relevant UK connection if—

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- (a) at any time during the accounting period or the 6 years immediately preceding that period, it has been held by a person resident in the United Kingdom, or
- (b) activities relating to the creation, maintenance or enhancement of the intellectual property (other than activities of an incidental or insignificant nature) have been carried on by a person who for some or all of the period—
 - (i) beginning when the activities were first carried on by the person, and
 - (ii) ending at the end of the accounting period,
 was related to C and within the charge to United Kingdom tax.

Other business activities

- 12K (1) The requirement of this paragraph is that—
- (a) C does not, at any time during the accounting period, carry on any activities otherwise than in the course of its main business, or
 - (b) if it carries on any such activities (“secondary activities”), the secondary activities condition is met.
- (2) The secondary activities condition is that either—
- (a) the secondary activities do not, at any time during the accounting period, constitute a substantial part of the activities of C's business taken as a whole, or
 - (b) section 748(1)(b) or (ba) would apply to prevent an apportionment under section 747(3) falling to be made as regards that period, if C's business consisted only of the secondary activities carried on by it during the accounting period.

UK connection

- 12L (1) The requirement of this paragraph is that C does not have a significant connection with the United Kingdom during the accounting period.
- (2) C has a significant connection with the United Kingdom during the accounting period if—
- (a) all or a substantial proportion of C's gross income for that period consists of income from the exploitation of intellectual property which derives from persons within the charge to United Kingdom tax, or
 - (b) during that period C incurs expenditure (other than expenditure of an incidental or insignificant nature) on—
 - (i) R&D sub-contractor payments, or
 - (ii) the creation, development or maintenance of relevant intellectual property,
 and that expenditure forms part of the income of a person who for some or all of that period is related to C and within the charge to United Kingdom tax.
- (3) In this paragraph—
- “R&D sub-contractor payment” means a payment made by C to another person in respect of research and development contracted out by C to that person;

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“relevant intellectual property” means intellectual property which does not have a relevant UK connection (see paragraph 12J(3)) and which C exploits in the course of its main business.

Finance income

- 12M The requirement of this paragraph is that not more than 5% of C's gross income for the accounting period consists of finance income (within the meaning of paragraph 12F(3)).

Interpretation of Part 2B

- 12N (1) For the purpose of this Part of this Schedule—
“intellectual property” is to be construed in accordance with paragraph 9(1A);
“United Kingdom tax” means corporation tax or income tax;
and paragraph 12G (meaning of “gross income”) applies as it applies for the purposes of Part 2A of this Schedule.
- (2) For the purposes of this Part of this Schedule a person is “related” to C at a particular time if at that time—
(a) the person is connected or associated with C,
(b) the person has a 25 per cent assessable interest in C in the case of the accounting period of C in which that time falls (within the meaning of paragraph 6(4C)), or
(c) if C is a controlled foreign company in the accounting period in which that time falls by virtue of subsection (1A) of section 747, the person is connected or associated with either or both of the two persons mentioned in that subsection.
- (3) In the case of a company which is within the charge to United Kingdom tax only because it carries on a trade in the United Kingdom through a permanent establishment there—
(a) for the purposes of paragraph 12J(3)(b), the activities carried on by the company are such of the activities as are carried on through that establishment,
(b) for the purposes of paragraph 12L(2)(a), the income derived from that company is such of the income so derived as is attributable to that establishment, and
(c) for the purposes of paragraph 12L(2)(b), the income of that company is such of its income as is attributable to that establishment.]

F3802F3802 **PART III**

THE PUBLIC QUOTATION CONDITION

Textual Amendments

F3802Sch. 25 Pt. 3 (paras. 13-15) repealed (with effect in accordance with Sch. 15 para. 10 of the repealing Act) by [Finance Act 2007 \(c. 11\)](#), Sch. 15 para. 8(2), [Sch. 27 Pt. 2\(15\)](#), Note

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- 13 (1) The provisions of this Part of this Schedule have effect for the purposes of section 748(1)(c).
- (2) Subject to paragraph 14 below, a controlled foreign company fulfils the public quotation condition with respect to a particular accounting period if—
- (a) shares in the company carrying not less than 35 per cent. of the voting power in the company (and not being shares entitled to a fixed rate of dividend, whether with or without a further right to participate in profits) have been allotted unconditionally to, or acquired unconditionally by, the public and, throughout that accounting period, are beneficially held by the public; and
 - (b) within the period of 12 months ending at the end of the accounting period, any such shares have been the subject of dealings on a recognised stock exchange situated in the territory in which the company is resident; and
 - (c) within that period of 12 months the shares have been listed in the official list of such a recognised stock exchange.

-
- 14 (1) The condition in paragraph 13(2) above is not fulfilled with respect to an accounting period of a controlled foreign company if at any time in that period the total percentage of the voting power in the company possessed by all of the company's principal members exceeds 85 per cent.
- (2) For the purposes of paragraph 13(2) above shares in a controlled foreign company shall be deemed to be beneficially held by the public if they are held by any person other than—
- (a) a person connected or associated with the company; or
 - (b) a principal member of the company;
- and a corresponding construction shall be given to the reference to shares which have been allotted unconditionally to, or acquired unconditionally by, the public.

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- 15 (1) References in this Part of this Schedule to shares held by any person include references to any shares the rights or powers attached to which could, for the purposes of section 416, be attributed to that person under subsection (5) of that section.
- (2) For the purposes of this Part of this Schedule—
- (a) a person is a principal member of a controlled foreign company if he possesses a percentage of the voting power in the company of more than 5 per cent. and—
 - (i) where there are more than five such persons, if he is one of the five persons who possess the greatest percentages, or
 - (ii) if, because two or more persons possess equal percentage of the voting power in the company, there are no such five persons, he is one of six or more persons (so as to include those two or more who possess the equal percentages) who possess the greatest percentages; and
 - (b) a principal member's holding consists of the shares which carry the voting power possessed by him.

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- (3) In arriving at the voting power which a person possesses, there shall be attributed to him any voting power which, for the purposes of section 416, would be attributed to him under subsection (5) or (6) of that section.
- (4) In this Part of this Schedule “shares” include “stock”.

^{F3804}PART 3A

EXEMPT PERIODS

Textual Amendments

F3804Sch. 25 Pt. 3A (paras. 15A-15G) inserted (with effect in accordance with Sch. 12 para. 14(2) of the amending Act) by Finance Act 2011 (c. 11), Sch. 12 para. 8

Introductory

- 15A The provisions of this Part of this Schedule have effect for the purposes of section 748(1)(f).

Beginning of exempt period

- 15B (1) An exempt period begins in relation to a company (“X”) at a time (“the relevant time”) when—
- (a) X is resident outside the United Kingdom,
 - (b) X is controlled by persons resident in the United Kingdom,
 - (c) there is at least one relevant UK corporate investor in X, and
 - (d) the requirements of paragraph 15C or 15D are met.
- (2) There is a “relevant UK corporate investor in X” at a particular time if, at that time, there is a company which—
- (a) is resident in the United Kingdom, and
 - (b) would, on the assumptions set out in sub-paragraph (3), be a company to which an apportionment of X's chargeable profits for the relevant accounting period would fall to be made in circumstances where section 747(5) would not prevent tax being chargeable on the company under section 747(4).
- (3) The assumptions are—
- (a) X has chargeable profits for the relevant accounting period,
 - (b) an apportionment of those profits falls to be made under section 747(3) for that period, and
 - (c) no reduction of those profits arises under section 751A, 751AA or 751AB.
- (4) “The relevant accounting period” means the accounting period of X in which the time mentioned in sub-paragraph (2) falls.
- 15C (1) The requirements of this paragraph are that—
- (a) no company was, at any time before the relevant time, a relevant UK corporate investor in X,

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- (b) no asset owned by X, or part of the business carried on by X, at the relevant time was previously owned, or carried on, by a company which—
 - (i) was under the control of persons resident in the United Kingdom at any time it owned the asset or carried on the part of the business, and
 - (ii) is or has been related to X,
 - (c) condition A, B, C or D is met, and
 - (d) no disqualifying relevant transaction occurs (see paragraph 15E).
- (2) Condition A is that, immediately before the relevant time, X—
- (a) was in existence, but
 - (b) was not a member of the same group of companies as any person who, at the relevant time, was a controlling UK person.
- (3) Condition B is that—
- (a) at the relevant time X is controlled by a company which is resident in the United Kingdom, and
 - (b) immediately before that time, X was controlled by that same company but that company was not then resident in the United Kingdom.
- (4) Condition C is that—
- (a) at the relevant time—
 - (i) X is controlled by a company which is resident in the United Kingdom (“the intermediate parent”), and
 - (ii) the intermediate parent is controlled by a company which is not resident in the United Kingdom (“the parent”), and
 - (b) immediately before that time X was controlled by the parent but not the intermediate parent.
- (5) Condition D is that X—
- (a) is a controlled foreign company at the time it is formed, and
 - (b) is formed by one or more persons for the purpose of controlling one or more companies in circumstances where it is expected that an exempt period will begin in relation to one or more of those companies at the time when X begins to control the company or companies.
- (6) In this paragraph “controlling UK person” means a person resident in the United Kingdom who alone, or together with other such persons, controls X.
- 15D (1) The requirements of this paragraph are that—
- (a) the relevant time falls after 23 March 2011,
 - (b) X has an accounting period during which 23 March 2011 falls,
 - (c) no company was, at any time during that accounting period, a relevant UK corporate investor in X,
 - (d) no company was, immediately before the relevant time, a relevant UK corporate investor in X,
 - (e) at the relevant time X is controlled by a company which—
 - (i) is resident in the United Kingdom, and
 - (ii) is not under the control of another body corporate, or two or more other bodies corporate taken together, and
 - (f) no disqualifying relevant transaction occurs (see paragraph 15E).

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- (2) In determining for the purposes of sub-paragraph (1)(e)(ii) whether a company is under the control of two or more bodies corporate taken together, a body corporate which holds less than 10% of the issued ordinary shares of that company is to be disregarded.
- (3) For the purposes of sub-paragraph (2), a body corporate is treated as holding any shares held by persons who are connected or associated with the body corporate.

Disqualifying relevant transactions

- 15E (1) This paragraph applies for the purposes of paragraph 15C and 15D.
- (2) A disqualifying relevant transaction occurs if—
 - (a) a relevant transaction occurs at the relevant time (whether or not the transaction occurs pursuant to an agreement entered into by X before that time), or
 - (b) a relevant transaction occurs on or after 9 December 2010 but before the relevant time and that transaction forms part of an avoidance scheme.
 - (3) “Relevant transaction” means—
 - (a) the making by X of a loan or advance of an amount (other than a negligible amount) to a person who, at the time it is made, is related to X and subject to United Kingdom tax,
 - (b) an increase (other than an increase of a negligible amount) in the amount of an existing loan or advance made by X to a person who, at the time of the increase, is related to X and subject to United Kingdom tax,
 - (c) a change in the terms or conditions of an existing loan or advance made by X where—
 - (i) the loan or advance is to a person who, at the time the change is made, is related to X and subject to United Kingdom tax, and
 - (ii) the change has an effect (other than a negligible effect) on the amount of interest payable, or
 - (d) a transaction to which sub-paragraph (4) applies.
 - (4) This sub-paragraph applies to a transaction if—
 - (a) it is referable to an activity carried on by X as part, or the whole, of any non-exempt activities carried on by X,
 - (b) the results of the transaction are reflected in the profits arising in an accounting period of X and are not negligible in value, and
 - (c) the results of the transaction alone, or together with the results of one or more other transactions, achieves a reduction in United Kingdom tax.
 - (5) A transaction achieves, or two or more transactions together achieve, a reduction in United Kingdom tax if, had the transaction or transactions not been effected, any person—
 - (a) would have been liable for any such tax or for a greater amount of any such tax, or
 - (b) would not have been entitled to a relief from or repayment of any such tax or would have been entitled to a smaller relief from or repayment of any such tax.
 - (6) In this paragraph—

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“avoidance scheme” means a scheme the main purpose, or one of the main purposes, of any party to which in entering into the scheme is to secure that section 748(1)(f) prevents an apportionment falling to be made under section 747(3) as regards an accounting period, or accounting periods, of X;

“non-exempt activities” has the meaning given by paragraph 12D(2);

“scheme” means any scheme, arrangements or understanding of any kind whatever, whether or not legally enforceable, involving one or more transactions;

“United Kingdom tax” means corporation tax (or any tax chargeable as if it were corporation tax) or income tax.

Ending of exempt period

- 15F (1) An exempt period ends on the expiry of the period of 24 months which begins immediately after the first accounting period of X to end after the relevant time, unless sub-paragraph (2) applies.
- (2) If an early termination event occurs after the relevant time but before the time the exempt period would end under sub-paragraph (1), the exempt period ends immediately before that event.
- (3) An early termination event occurs if and when—
- (a) a relevant transaction occurs, whether or not the transaction occurs pursuant to an agreement entered into by X before that time, or
 - (b) where the exempt period began because Condition D was met, X's business does not consist wholly in the holding of shares of companies which X controls, together with activities incidental to the holding of such shares.

Interpretation of Part 3A

- 15G (1) In this Part of this Schedule—
- “group” means a company and any other companies it controls;
- “the relevant time” has the meaning given by paragraph 15B;
- “relevant transaction” has the meaning given by paragraph 15E;
- “relevant UK corporate investor in X” has the meaning given by paragraph 15B(2);
- “X” is to be construed in accordance with paragraph 15B.
- (2) For the purposes of this Part of this Schedule a person is “related” to X at a particular time if—
- (a) the person is connected or associated with X at that time,
 - (b) the person has a 25 per cent assessable interest in X in the case of the accounting period in which that time falls (within the meaning of paragraph 6(4C)), or
 - (c) if X is a controlled foreign company in the accounting period in which that time falls by virtue of subsection (1A) of section 747, the person is connected or associated with either or both of the two persons mentioned in that subsection.]

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PART IV

REDUCTIONS IN UNITED KINGDOM TAX AND DIVERSION OF PROFITS

- 16 (1) The provisions of this Part of this Schedule have effect for the purposes of section 748(3).
- (2) Any reference in paragraphs 17 and 18 below to a transaction—
- (a) is a reference to a transaction [^{F3805}the results of which are] reflected in the profits arising in an accounting period of a controlled foreign company; and
 - (b) includes a reference to [^{F3806}two or more transactions taken together, the results of at least one of which are so reflected].

Textual Amendments

F3805 Words in Sch. 25 para. 16(2)(a) inserted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), Sch. 36 para. 4(6)(a)

F3806 Words in Sch. 25 para. 16(2)(b) substituted (with effect in accordance with s. 182 of the amending Act) by Finance Act 1996 (c. 8), Sch. 36 para. 4(6)(b)

- 17 (1) A transaction achieves a reduction in United Kingdom tax if, had the transaction not been effected, any person—
- (a) would have been liable for any such tax or for a greater amount of any such tax; or
 - (b) would not have been entitled to a relief from or repayment of any such tax or would have been entitled to a smaller relief from or repayment of any such tax.
- (2) In this Part of this Schedule and section 748(3) “United Kingdom tax” means income tax, corporation tax or capital gains tax.
- 18 It is the main purpose or one of the main purposes of a transaction to achieve a reduction in United Kingdom tax if this is the purpose or one of the main purposes—
- (a) of the controlled foreign company concerned; or
 - (b) of a person who has an interest in that company at any time during the accounting period concerned.
- 19 (1) The existence of a controlled foreign company achieves a reduction in United Kingdom tax by a diversion of profits from the United Kingdom in an accounting period if it is reasonable to suppose that, had neither the company nor any company related to it been in existence—
- (a) the whole or a substantial part of the receipts which are reflected in the controlled foreign company’s profits in that accounting period would have been received by a company or individual resident in the United Kingdom; and
 - (b) that company or individual or any other person resident in the United Kingdom either—
 - (i) would have been liable for any United Kingdom tax or for a greater amount of any such tax; or
 - (ii) would not have been entitled to a relief from or repayment of any such tax or would have been entitled to a smaller relief from or repayment of any such tax.

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- (2) For the purposes of sub-paragraph (1) above, a company is related to a controlled foreign company if—
- it is resident outside the United Kingdom; and
 - it is connected or associated with the controlled foreign company; and
 - in relation to any company or companies resident in the United Kingdom, it fulfils or could fulfil, directly or indirectly, substantially the same functions as the controlled foreign company.
- (3) Any reference in sub-paragraph (1) above to a company resident in the United Kingdom includes a reference to such a company which, if the controlled foreign company in question were not in existence, it is reasonable to suppose would have been established.

SCHEDULE 26

Section 754(5).

RELIEFS AGAINST LIABILITY FOR TAX IN RESPECT OF CHARGEABLE PROFITS

Trading losses and group relief etc. ^{M296}**Marginal Citations**

M296 Source—1984 Sch.18.

- 1 (1) In any case where—
- an amount of chargeable profits is apportioned to a company resident in the United Kingdom, and
 - the company is entitled, or would on the making of a claim be entitled, in computing its profits for the appropriate accounting period, to a deduction in respect of any relevant allowance, ^{F3807} . . .
 - ^{F3807}
- then, on the making of a claim, a sum equal to corporation tax at the appropriate rate on so much of the relevant allowance ^{F3808} . . . as is specified in the claim shall be set off against the company's liability to tax under section 747(4)(a) in respect of the chargeable profits apportioned to it.
- (2) In this paragraph—
- “the appropriate accounting period” means the accounting period for which, by virtue of section 754(2), the company is [^{F3809}chargeable to tax by virtue of this Chapter] in respect of the chargeable profits concerned; and
 - “the appropriate rate” means the rate of corporation tax applicable to profits of the appropriate accounting period or, if there is more than one such rate, the average rate over the whole accounting period.
- (3) In this paragraph “relevant allowance” means—
- any loss to which [^{F3810}section 37 or 62(1) to (3) of CTA 2010] applies;
 - any [^{F3811}qualifying charitable donation];

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- (c) any expenses of management to which [^{F3812}section 1219(1) of CTA 2009] applies;
 - [^{F3813}(cc) any expenses deduction under section 76(1);]
 - (d) so much of any allowance to which section 74 of the 1968 Act applies as falls within subsection (3) of that section; ^{F3814} . . .
 - (e) any amount available to the company by way of group relief; [^{F3815}and
 - (f) any non-trading deficit on its loan relationships.]
- (4) ^{F3816}
- (5) Where, by virtue of sub-paragraph (1) above, a sum is set off against a liability to tax, so much of the relevant allowance as gives rise to the amount set off shall be regarded for the purposes of the Tax Acts as having been allowed as a deduction against the company's profits in accordance with the appropriate provisions of those Acts.
- (6) ^{F3816}

Textual Amendments

- F3807**Sch. 26 para. 1(1)(c) and preceding word repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 34(2)(a), Sch. 27 Pt. 3(27), Note; S.I. 1998/3173, art. 2
- F3808**Words in Sch. 26 para. 1(1) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 34(2)(b), Sch. 27 Pt. 3(27), Note; S.I. 1998/3173, art. 2
- F3809**Words in Sch. 26 para. 1(2)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 34(3); S.I. 1998/3173, art. 2
- F3810**Words in Sch. 26 para. 1(3)(a) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 148(2) (with Sch. 2)
- F3811**Words in Sch. 26 para. 1(3)(b) substituted (1.4.2010 with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), Sch. 1 para. 148(3) (with Sch. 2)
- F3812**Words in Sch. 26 para. 1(3)(c) substituted (1.4.2009 with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 288 (with Sch. 2 Pts. 1, 2)
- F3813**Sch. 26 para. 1(3)(cc) inserted (28.9.2004 with effect in accordance with art. 1(2) of the amending S.I.) by The Finance Act 2004, Sections 38 to 40 and 45 and Schedule 6 (Consequential Amendment of Enactments) Order 2004 (S.I. 2004/2310), art. 2, Sch. para. 38(2)
- F3814**Word at the end of Sch. 26 para. 1(3)(d) repealed (with effect in accordance with s. 105(1) of the repealing Act) by Finance Act 1996 (c. 8), Sch. 41 Pt. 5(3), Note (with Sch. 15)
- F3815**Sch. 26 para. 1(3)(f) and preceding word inserted (with effect in accordance with s. 105(1) of the amending Act) by Finance Act 1996 (c. 8), Sch. 14 para. 53 (with Sch. 15)
- F3816**Sch. 26 para. 1(4)(6) repealed (with effect in accordance with Sch. 17 para. 37 of the repealing Act) by Finance Act 1998 (c. 36), Sch. 17 para. 34(4)(5), Sch. 27 Pt. 3(27), Note; S.I. 1998/3173, art. 2

Advance corporation tax

- 2 ^{F3817}

Textual Amendments

- F3817**Sch. 26 para. 2 repealed (with effect in accordance with Sch. 3 para. 44(3) of the repealing Act) by Finance Act 1998 (c. 36), Sch. 3 para. 44(2), Sch. 27 Pt. 3(2), Note (with Sch. 3 para. 44(4))

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Gains on disposal of shares in controlled foreign companies

- 3 (1) This paragraph applies in any case where—
- [^{F3818}(a) an accounting period of a controlled foreign company (“the apportionment period”) is one in respect of which an apportionment under section 747(3) falls to be made; and]
 - (b) the company’s chargeable profits for [^{F3819}the apportionment period] have been apportioned among the persons in subsection (3) of that section; and
 - (c) a company resident in the United Kingdom (“the claimant company”) disposes of—
 - (i) shares in the controlled foreign company, or
 - (ii) shares in another company which, in whole or in part, give rise to the claimant company’s interest in the controlled foreign company, being, in either case, shares acquired before the end of [^{F3819}the apportionment period]; and
 - (d) by virtue of the apportionment referred to in paragraph (b) above, a sum is, under section 747(4)(a), [^{F3820}chargeable on] the claimant company as if it were an amount of corporation tax; and
 - (e) the claimant company makes a claim for relief under this paragraph;
- and in this paragraph the disposal mentioned in paragraph (c) above is referred to as “the relevant disposal”.
- (2) Subject to the following provisions of this paragraph, in the computation under Chapter [^{F3821}III of Part II of the 1992] Act of the gain accruing on the relevant disposal, the appropriate fraction of the sum referred to in sub-paragraph (1)(d) above shall be allowable as a deduction; but to the extent that any sum has been allowed as a deduction under this sub-paragraph it shall not again be allowed as a deduction on any claim under this paragraph (whether made by the claimant company or another company).
- (3) In relation to the relevant disposal, the appropriate fraction is—

$$\frac{A}{B}$$

where—

A is the average market value in [^{F3822}the apportionment period] of the shares disposed of, and

B is the average market value in that period of the interest in the controlled foreign company which, in the case of the claimant company, was taken into account in the apportionment referred to in sub-paragraph (1)(b) above.

- (4) Where, before the relevant disposal—
- (a) a dividend is paid by the controlled foreign company, and
 - (b) the profits out of which the dividend is paid are those from which the chargeable profits referred to in sub-paragraph (1)(b) above are derived, and
 - (c) at least one of the two conditions in sub-paragraph (5) below is fulfilled,

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this paragraph does not apply in relation to a sum [^{F3823}chargeable under section 747(4)(a)] in respect of so much of the chargeable profits as corresponds to the profits which the dividend represents.

- (5) The conditions referred to in sub-paragraph (4) above are—
- (a) that the effect of the payment of the dividend is such that the value of the shares disposed of by the relevant disposal is less after the payment than it was before it; and
 - (b) that, in respect of a dividend paid or payable on the shares disposed of by the relevant disposal, the claimant company is, by virtue of paragraph 4(2) below, entitled under [^{F3824}Part 2 of TIOPA 2010] to relief (by way of underlying tax) by reference to sums which include the sum referred to in sub-paragraph (1)(d) above.
- (6) A claim for relief under this paragraph shall be made before the expiry of the period of three months beginning—
- (a) at the end of the accounting period in which the relevant disposal occurs; or
 - (b) if it is later, on the date on which the assessment to tax for which the claimant company is liable by virtue of section 747(4)(a) becomes final and conclusive.

[^{F3825}(6A) Nothing in—

- (a) paragraph 10 of Schedule 18 to the Finance Act 1998 (claims or elections in company tax returns), or
- (b) Schedule 1A to the Management Act (claims or elections not included in returns),

shall apply, whether by virtue of section 754 or otherwise, to a claim under sub-paragraph (6) above.]

- (7) In identifying for the purposes of this paragraph shares in a company with shares of the same class which are disposed of by the relevant disposal, shares acquired at an earlier time shall be deemed to be disposed of before shares acquired at a later time.

Textual Amendments

F3818Sch. 26 para. 3(1)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 35(2)**; S.I. 1998/3173, **art. 2**

F3819Words in Sch. 26 para. 3(1)(b)(c) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 35(3)**; S.I. 1998/3173, **art. 2**

F3820Words in Sch. 26 para. 3(1)(d) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 35(4)**; S.I. 1998/3173, **art. 2**

F3821Words in Sch. 26 para. 3 substituted (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch. 10 para. 14(62)** (with ss. 60, 101(1), 171, 201(3))

F3822Words in Sch. 26 para. 3(3) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 35(5)**; S.I. 1998/3173, **art. 2**

F3823Words in Sch. 26 para. 3(4) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 35(6)**; S.I. 1998/3173, **art. 2**

F3824Words in Sch. 26 para. 3(5)(b) substituted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), **Sch. 8 para. 35(2)** (with Sch. 9)

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F3825 Sch. 26 para. 3(6A) inserted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 35(7); S.I. 1998/3173, art. 2

Dividends from the controlled foreign company

- 4 (1) This paragraph applies in any case where—
- ^{F3826}(a) an accounting period of a controlled foreign company is one in respect of which an apportionment under subsection (3) of section 747 falls to be made; and
 - (b) the company's chargeable profits for that period have been apportioned among the persons referred to in ^{F3827}that subsection], and
 - (c) the controlled foreign company pays a dividend in whole or in part out of the total profits from which (in accordance with subsection (6)(a) of that section) those chargeable profits are derived.
- (2) Subject to paragraphs 5 and 6 below, where this paragraph applies, the aggregate of the sums ^{F3828}chargeable on] companies resident in the United Kingdom in accordance with section 747(4)(a) in respect of the chargeable profits referred to in sub-paragraph (1)(b) above shall be treated for the purposes of ^{F3829}Part 2 of TIOPA 2010 (double taxation relief)] as if it were an amount of tax paid in respect of the profits concerned under the law of the territory in which the controlled foreign company was resident and, accordingly, as underlying tax for the purposes of Chapter II of that Part.
- (3) In the following provisions of this paragraph and in paragraphs 5 and 6 below, the aggregate of the sums which, under sub-paragraph (2) above, fall to be treated as underlying tax is referred to as the “gross attributed tax”.
- (4) If, in the case of a person who receives the dividend, ^{F3830}section 36, 40, 41 or 42 of TIOPA 2010] has the effect of reducing the amount which (apart from that section) would have been the amount of the credit for foreign tax which is to be allowed to that person, then, for the purposes of sub-paragraph (5) below, the amount of that reduction shall be determined and so much of it as does not exceed the amount of the foreign tax, exclusive of underlying tax, for which credit is to be allowed in respect of the dividend is in that sub-paragraph referred to as “the wasted relief”.
- (5) Except for the purpose of determining the amount of the wasted relief, the gross attributed tax shall be treated as reduced by the aggregate of the wasted relief arising in the case of all the persons falling within sub-paragraph (4) above and, on the making of a claim by any of the companies referred to in sub-paragraph (2) above—
- (a) the amount of tax ^{F3828}chargeable on] the company in accordance with section 747(4)(a) in respect of the chargeable profits referred to in sub-paragraph (1) (b) above shall, where appropriate, be reduced; and
 - (b) all such adjustments (whether by repayment of tax or otherwise) shall be made as are appropriate to give effect to any reduction under paragraph (a) above.

Textual Amendments

F3826 Sch. 26 para. 4(1)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), Sch. 17 para. 36(2); S.I. 1998/3173, art. 2

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- F3827** Words in Sch. 26 para. 4(1)(b) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 36(3)**; S.I. 1998/3173, **art. 2**
- F3828** Words in Sch. 26 para. 4(2)(5)(a) substituted (with effect in accordance with Sch. 17 para. 37 of the amending Act) by Finance Act 1998 (c. 36), **Sch. 17 para. 36(4)(5)**; S.I. 1998/3173, **art. 2**
- F3829** Words in Sch. 26 para. 4(2) substituted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), **Sch. 8 para. 35(3)** (with Sch. 9)
- F3830** Words in Sch. 26 para. 4(4) substituted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), **Sch. 8 para. 35(4)** (with Sch. 9)

5 (1) In so far as any provision of—

- [^{F3831}(a) arrangements which have effect under section 2(1) of TIOPA 2010 (double taxation relief by agreement with territories outside the United Kingdom), or
(b) unilateral relief arrangements for a territory outside the United Kingdom (as defined by section 8 of that Act),]

makes relief which is related to foreign dividends received by a company resident in the United Kingdom conditional upon that company either having a particular degree of control of the company paying the dividend or being a subsidiary of another company which has that degree of control, that condition shall be treated as fulfilled in considering whether any such company is by virtue of paragraph 4(2) above entitled to relief under [^{F3832}Part 2 of TIOPA 2010] in respect of any of the gross attributed tax.

- (2) Notwithstanding anything in paragraph 4(2) above, in [^{F3833}section 31(2)(b) and (3) of TIOPA 2010] the expression “underlying tax” does not include gross attributed tax.
- (3) In a case where the controlled foreign company pays a dividend otherwise than out of specified profits and, on the apportionment referred to in paragraph 4(1) above, less than the whole of the chargeable profits of the controlled foreign company concerned is apportioned to companies which are resident in the United Kingdom and liable for tax thereon as mentioned in section 747(4)(a)—
- (a) the gross attributed tax shall be regarded as attributable to a corresponding proportion of the profits in question, and in this sub-paragraph the profits making up that proportion are referred to as “taxed profits”;
- (b) so much of the dividend as is received by, or by a successor in title of, any such company shall be regarded as paid primarily out of taxed profits; and
- (c) so much of the dividend as is received by any other person shall be regarded as paid primarily out of profits which are not taxed profits.
- (4) The reference in sub-paragraph (3)(b) above to a successor in title of a company resident in the United Kingdom is a reference to a person who is such a successor in respect of the whole or any part of that interest in the controlled foreign company by virtue of which an amount of its chargeable profits was apportioned to that company.

Textual Amendments

- F3831** Sch. 26 para. 5(1)(a)(b) substituted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), **Sch. 8 para. 35(5)** (with Sch. 9)
- F3832** Words in Sch. 26 para. 5(1) substituted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), **Sch. 8 para. 35(6)** (with Sch. 9)
- F3833** Words in Sch. 26 para. 5(2) substituted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by Taxation (International and Other Provisions) Act 2010 (c. 8), **Sch. 8 para. 35(7)** (with Sch. 9)

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- 6 (1) In any case where—
 - (a) on a claim for relief under paragraph 3 above, the whole or any part of any sum has been allowed as a deduction on a disposal of shares in any company; and
 - (b) that sum forms part of the gross attributed tax in relation to a dividend paid by that company; and
 - (c) a person receiving the dividend in respect of the shares referred to in paragraph (a) above (“the primary dividend”) or any other relevant dividend is, by virtue of paragraph 4(2) above, entitled under ^{F3834}Part 2 of TIOPA 2010] to relief (by way of underlying tax) by reference to the whole or any part of the gross attributed tax;

the amount which, apart from this paragraph, would be available by way of any such relief to the person referred to in paragraph (c) above shall be reduced or, as the case may be, extinguished by deducting therefrom the amount allowed by way of relief as mentioned in paragraph (a) above.
- (2) For the purposes of sub-paragraph (1)(c) above, in relation to the primary dividend, another dividend is a relevant dividend if—
 - (a) it is a dividend in respect of shares in a company which is resident outside the United Kingdom; and
 - (b) it represents profits which, directly or indirectly, consist of or include the primary dividend.

Textual Amendments
F3834 Words in [Sch. 26 para. 6\(1\)\(c\)](#) substituted (1.4.2010 with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), [Sch. 8 para. 35\(8\)](#) (with [Sch. 9](#))

^{F3835}^{F3835}SCHEDULE 27

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Textual Amendments
F3835 [Sch. 27](#) repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009 \(S.I. 2009/3001\)](#), regs. 1(1), 13(2)(3), [Sch. 2](#) (with saving in [Sch. 1 para. 3\(4\)](#)) (subject, as saved, to modification by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 9 para. 24](#))

^{F3883}^{F3883}SCHEDULE 28

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Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F3883 Sch. 28 repealed (1.12.2009 with effect in accordance with reg. 1(2) of the repealing S.I.) by [The Offshore Funds \(Tax\) Regulations 2009](#) (S.I. 2009/3001), regs. 1(1), 13(2)(3), **Sch. 2** (with saving in Sch. 1 para. 3(4))

F3889F3889 | F3890 SCHEDULE 28A

Textual Amendments

F3889 Sch. 28A repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010](#) (c. 4), Sch. 1 para. 149, **Sch. 3 Pt. 1** (with Sch. 2)

F3890 Sch. 28A inserted (with effect in accordance with Sch. 26 para. 5 of the amending Act) by [Finance Act 1995](#) (c. 4), **Sch. 26 para. 3**

F3891 Sch. 28A heading substituted (28.9.2004 with effect in accordance with art. 1(2) of the amending S.I.) by virtue of [The Finance Act 2004](#), Sections 38 to 40 and 45 and Schedule 6 (Consequential Amendment of Enactments) Order 2004 (S.I. 2004/2310), art. 2, Sch. para. 39(11)

F3979F3979 | F3980 SCHEDULE 28AA

Textual Amendments

F3979 Sch. 28AA repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010](#) (c. 8), Sch. 8 para. 111, **Sch. 10 Pt. 2** (with Sch. 9)

F3980 Sch. 28AA inserted (with effect in accordance with s. 108(5)-(7) of the amending Act) by [Finance Act 1998](#) (c. 36), s. 108(2), **Sch. 16**

F4040F4040 | F4041 SCHEDULE 28AB

Textual Amendments

F4040 Sch. 28AB repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010](#) (c. 8), Sch. 8 para. 36, **Sch. 10 Pt. 1** (with Sch. 9)

F4041 Sch. 28AB inserted (with effect in accordance with s. 87(3)-(5) of the amending Act) by [Finance Act 2005](#) (c. 7), s. 87(2), **Sch. 5**

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

F4045F4045 F4046 SCHEDULE 28B

Textual Amendments

F4045 Sch. 28B repealed (6.4.2007 with effect in accordance with s. 1034(1) of the repealing Act) by [Income Tax Act 2007 \(c. 3\)](#), [Sch. 1 para. 240](#), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F4046 Sch. 28B inserted (1.5.1995) by [Finance Act 1995 \(c. 4\)](#), s. 70(2), [Sch. 14](#)

SCHEDULE 29

s.844

CONSEQUENTIAL AMENDMENTS

THE CAPITAL ALLOWANCES ACTS

F4113 1 and
2

Textual Amendments

F4113 Sch. 29 paras. 1, 2 repealed by [Capital Allowances Act 1990 \(c. 1\)](#), s. 164, [Sch. 2](#)

TAXES MANAGEMENT ACT 1970 c.9

3 The Taxes Management Act 1970 shall have effect subject to the amendments made by paragraphs 4 to 10 below.

F4114 4

Textual Amendments

F4114 Sch. 29 para. 4 repealed (with effect in accordance with s. 90 of the repealing Act) by [Finance Act 1990 \(c. 29\)](#), [Sch. 19 Pt. 5](#), Note 2

F4115 5

Textual Amendments

F4115 Sch. 29 para. 5 repealed by [Copyright, Designs and Patents Act 1988 \(c. 48\)](#), [Sch. 8](#); S.I. 1989/816

6 F4116

Textual Amendments

F4116 Sch. 29 para. 6 repealed (6.4.2003 with effect in accordance with s. 723(1) of the repealing Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

7 F4117(1)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) In subsection (2) and (3) of that section for the words “this section” there shall be substituted the words “ subsection (1) above ”.

^{F4117}(3)

Textual Amendments

F4117 Sch. 29 para. 7(1)(3) repealed (1988-89 and subsequent years) by Finance Act 1988 (c. 39), s. 148, Sch. 14 Pt. 4, Note 9

8 (1) In subsection (1) of section 55 (recovery of tax not postponed) the following paragraph shall be [^{F4118}substituted for paragraph (g)]—[for text see *Taxes Management Act 1970 (c. 9), s. 55(1)(g)*].

(2) The following subsection shall be inserted in that section after subsection (6)—[for text see *Taxes Management Act 1970 (c. 9), s. 55(6A)*].

Textual Amendments

F4118 Words in Sch. 29 para. 8 substituted (retrospectively) by Finance Act 1988 (c. 39), s. 146, Sch. 13 paras. 1, 13

9 The following Table shall be substituted for the Table in section 98—[for text see *Taxes Management Act 1970 (c. 9), s. 98*].

10 (1) The Taxes Management Act 1970, as amended by the Finance (No.2) Act 1987, shall have effect, after the day appointed under section 95 of the 1987 Act for the purposes of the provision in question, subject to the following amendments.

(2) In section 11(8) for “286” there shall be substituted “ 419 ”.

(3) In section 30(2A) ^{F4119}. . . for “87 of the Finance (No.2) Act 1987” there shall be substituted “ 826 of the principal Act ”.

(4) In section 87A—

(a) in subsection (1) for “243(4)” there shall be substituted “ 10 ”;

^{F4120}(b)

(c) in subsection (4), in paragraph (a) for “85 of the Finance Act 1972” there shall be substituted “ 239 of the principal Act ”, and in paragraph (b) for “85” there shall be substituted “ 239 ”; and

(d) in subsection (5) for the words from “subsection” to “1972” there shall be substituted “ section 252(5) of the principal Act ”.

(5) In section 89 for “87 of the Finance (No.2) Act 1987” there shall be substituted “ 826 of the principal Act ”.

(6) In section 91(2A) for “90 of the Finance (No.2) Act 1987” there shall be substituted “ 10 of the principal Act ”.

^{F4121}(7)

(8) In section 109—

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- (a) in subsection (3) for “286” and “(4)” there shall be substituted “ 419 ” and “ (3) ”;
- (b) in subsection (3A) for “(5)” and “286” (twice) there shall be substituted “ (4) ” and “ 419 ”.

Textual Amendments

F4119 Words in **Sch. 29 para. 10(3)** repealed (with effect in accordance with Sch. 27 Pt. 3(28) Note of the repealing Act) by **Finance Act 1998 (c. 36), Sch. 27 Pt. 3(28)**

F4120 **Sch. 29 para. 10(4)(b)** repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by **Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4121 **Sch. 29 para. 10(7)** repealed (with effect in accordance with Sch. 27 Pt. 3(28) Note of the repealing Act) by **Finance Act 1998 (c. 36), Sch. 27 Pt. 3(28)**

THE FRIENDLY SOCIETIES ACT (NORTHERN IRELAND) 1970 c.31 (N.I.)

F4122 11

Textual Amendments

F4122 **Sch. 29 para. 11** repealed (1.1.1994) by **Friendly Societies Act 1992 (c. 40), s. 120(2), Sch. 22 Pt. I** (with ss. 7(5), 93(4)); S.I. 1993/2213, art. 2(1), **Sch.6** Appendix

THE FINANCE ACT 1973 c.51

F4123 12

Textual Amendments

F4123 **Sch. 29 para. 12** repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by **Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

FRIENDLY SOCIETIES ACT 1974 c.46

13 In section 7 of the Friendly Societies Act 1974 at the end of subsection (3) there shall be added the following—

- “but nothing in this subsection shall apply with respect to—
- (a) policies issued in respect of insurances made on or after 19th March 1985; or
 - (b) policies issued in respect of insurances made before that date which are varied on or after that date.”

THE SOCIAL SECURITY ACTS

F4124 14

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Textual Amendments

F4124Sch. 29 para. 14 repealed (1.7.1992) by [Social Security \(Consequential Provisions\) \(Northern Ireland\) Act 1992 \(c. 9\)](#), ss. 3, 7(2), **Sch.1** (with Sch. 3 paras. 2, 4)

CAPITAL GAINS TAX ACT 1979 C.14

F4125 15

Textual Amendments

F4125Sch. 29 para. 15 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4126 16

Textual Amendments

F4126Sch. 29 para. 16 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4127 17

Textual Amendments

F4127Sch. 29 para. 17 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4128 18

Textual Amendments

F4128Sch. 29 para. 18 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4129 19

Textual Amendments

F4129Sch. 29 para. 19 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\)](#), ss. 289, 290, **Sch. 12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4130 20

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Textual Amendments
F4130 Sch. 29 para. 20 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 12 (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4131 21

Textual Amendments
F4131 Sch. 29 para. 21 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 12 (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4132 22

Textual Amendments
F4132 Sch. 29 para. 22 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 12 (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4133 23

Textual Amendments
F4133 Sch. 29 para. 23 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 12 (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4134 24

Textual Amendments
F4134 Sch. 29 para. 24 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 12 (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4135 25

Textual Amendments
F4135 Sch. 29 para. 25 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, Sch. 12 (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F4136 26

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Textual Amendments

F4136Sch. 29 para. 26 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch. 12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F413727

Textual Amendments

F4137Sch. 29 para. 27 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch. 12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

F413828

Textual Amendments

F4138Sch. 29 para. 28 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the amending Act) by Taxation of Chargeable Gains Act 1992 (c. 12), ss. 289, 290, **Sch. 12** (with ss. 60, 101(1), 171, 201(3), Sch. 11 paras. 22, 26(2), 27)

ADMINISTRATION OF JUSTICE ACT 1985 c.61

30 In paragraph 36(3) of Schedule 2 to the Administration of Justice Act 1985 for all the words preceding “any reference” there shall be substituted the words “ (3) In sections 745(3) and 778(3) of, and paragraph 14(5) of Schedule 15 to, the Income and Corporation Taxes Act 1988 ”.

LAW REFORM (MISCELLANEOUS PROVISIONS) (SCOTLAND) ACT 1985 c.73

31 In Schedule 1 to the Law Reform (Miscellaneous Provisions) (Scotland) Act 1985 for the heading preceding paragraph 41 there shall be substituted the following—

“ Income and Corporation Taxes Act 1988; ” and in paragraph 41 for “30(5)” there shall be substituted the words “ (3) and 778(3) of, and paragraph 14(5) of Schedule 15 to, the Income and Corporation Taxes Act 1988 ”.

TRANSLATION OF REFERENCES TO ENACTMENTS REPEALED AND RE-ENACTED

32 In the enactments specified in Column 1 of the following Table for the words set out or referred to in Column 2 there shall be substituted the words set out in the corresponding entry in Column 3.

<i>Enactment amended</i>	<i>Words to be omitted</i>	<i>Words to be substituted</i>
<i>In the Provisional Collection of Taxes Act 1968 c. 2</i>		
Section 1(1A)(a)	343 of the Income and Corporation Taxes Act 1970	476 of the Income and Corporation Taxes Act 1988

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

1(1A)(b)	27 of the Finance Act 1984	479 of that Act
5(1)(c)	from “243(6)” to “1972”	8(5) of the Income and Corporation Taxes Act 1988
5(2)	from “the said” to “1972”	sections 8(5) and 822 of the 1988 Act (over-deductions from preference dividends before passing of annual Act)
<i>In the Capital Allowances Act 1968 c.3</i>		
F4139	F4139	F4139
...
<i>In the Finance Act 1969 c. 32</i>		
Section 58(1)(a)	204 of the Income and Corporation Taxes Act 1970	203 of the Income and Corporation Taxes Act 1988
<i>In the Taxes Management Act 1970 c. 9</i>		
Section 6(1)(c)	463	706
F4140	F4140	F4140
...
F4140	F4140	F4140
...
F4140	F4140	F4140
...
11(6)	85(4) of the Finance Act 1972	239(4) of the principal Act
F4141	F4141	F4141
...
15(7)(a)	from “section 196” to “1977”	sections 141, 142, 143, 145 or 154 to 165 of the principal Act
15(11)(b)	Part II of the Finance Act 1976	Part V of the principal Act
	80 to 82	34 to 36
F4142	F4142	F4142
...
F4143	F4143	F4143

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...
F4144	F4144	F4144
...
30	47 or 48 (twice)	824 or 825 of the principal Act or section 47
31	all of subsection (3)	(3) The appeal shall be to the Special Commissioners if the assessment is made— (a) by the Board; or (b) under section 350, 426, 445, 740, 743(1) or 747(4)(a) of the principal Act; or (c) under section 38 of the Finance Act 1973 or section 830 of the principal Act and is not an assessment to tax under Schedule E; or if the appeal involves any question as to the application of Part XV or XVI of the principal Act.
35(2)(b)	187	148
42(3)(a)	27	278
42(3)(c)	section 218	subsection (5) of section 614
42(3)(c)	that section	section 615(3) of that Act
47B	Schedule 5 to the Finance Act 1983	Chapter III of Part VII of the principal Act
47B	paragraph 5A(5) of that Schedule	section 294(5) of that Act
55(1)(b)	204	203
55(1)(c)	Schedule 20 to the Finance Act 1972	Schedule 16 to the principal Act
55(1)(e)	Schedule 14 to the Finance Act 1972	Schedule 13 to the principal Act
F4145	F4145	F4145
...
F4145	F4145	F4145
...

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F4146	F4146	F4146
...
63(3) (as substituted by Schedule 4 to the Debtors (Scotland) Act 1987 c.18)	204	203
71(1)	Part XI	sections 6 to 12 and Parts VIII and XI
78(1)	89	43
F4147	F4147	F4147
...
78(5)	533	839
86(2)(b)	204	203
86(2)(d)	14 to the Finance Act 1972	13 to the principal Act
86(4)	5 (three times)	3
86(4)	4(3)	5(4)
86(4)	14 to the Finance Act 1972	13 to the principal Act
86(4)	243(4)	10(1)
86(4)	344	478
87	14 (four times)	13
87	20 (four times)	16
87	the Finance Act 1972	the principal Act
F4148	F4148	F4148
...
F4148	F4148	F4148
...
F4148	F4148	F4148
...
91(3)(c)	204	203
F4144	F4144	F4144
...
93(3)	204	203
94(2)	240(5) or 246(3)	7(2) or 11(3)
F4144	F4144	F4144
...
109(4)	286(5)	419(4)
109(1)-(3),(5)	section 286	sections 419 and 420

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118(1)	526(5)	832(1)
118(1)	354	468
118(1)	1970	1988
Schedule 2, para.2(2), in column 1 of the Table	II of Part I	I of Part VII
	65(4)	351(5)
	3	2
para.2(2), in column 2 of the Table	158(1)	121(1), (2)
	315(3)	441(3)
	331	459
	332	460
	338	467
	339	484
	384	527
	389	534
	391	536
	392	538
3, para.3,5	204 (three times)	203
para.5B	65 of the Finance Act 1976	159 of the principal Act
para.8	section 286	sections 419 and 420
para.8	15 of Schedule 16 to the Finance Act 1972	13 of Schedule 19 to the principal Act
last para.	from “11” to “to the principal Act”	102, 113(5), 263(5) and (6), 343(10) and 783(9) of the principal Act, to paragraph 22 of Schedule 7 to the Income and Corporation Taxes Act 1970
<i>F4149</i>		
...		
<i>F4149</i>		
...		
<i>In the Friendly Societies Act (Northern Ireland) 1970 c. 31 (N.I.)</i>		
Section 1(5)	(2) and (3) respectively of section 337 of the Income	(1) and (2) respectively of section 466 of the Income

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	and Corporation Taxes Act 1970	and Corporation Taxes Act 1988
82(4)	226(13) of the Income and Corporation Taxes Act 1970	620(9) of the Income and Corporation Taxes Act 1988
<i>In the Finance Act 1971</i>		
<i>c. 68</i>		
Section 21	the whole of subsection (6)	(6) Part II of Schedule 3 to this Act shall have effect.
F4150	F4150	F4150
...
F4150	F4150	F4150
...
F4150	F4150	F4150
...
F4150	F4150	F4150
...
F4150	F4150	F4150
...
F4150	F4150	F4150
...
F4150	F4150	F4150
...
69(2)	1970	1988
Schedule 3, para.8(1), (5)	the Taxes Act	the Income and Corporation Taxes Act 1970
para.8(3)	the words from “sub- paragraphs” to “this Schedule)”	section 598(2) to (4) of the Taxes Act
para.8(4)	1970	1970 or Chapter I of Part XIV of the Taxes Act
F4151	F4151	F4151
...
F4151	F4151	F4151
...
F4152	F4152	F4152
F4151	F4151	F4151
...
F4152	F4152	F4152
F4151	F4151	F4151

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...
<i>In the Finance Act 1972</i>		
<i>c. 41</i>		
F4153	F4153	F4153
...
F4153	F4153	F4153
...
F4153	F4153	F4153
...
134(2)	1970	1988
<i>In the Finance Act 1973</i>		
<i>c. 51</i>		
F4154	F4154	F4154
...
F4154	F4154	F4154
...
F4154	F4154	F4154
...
F4154	F4154	F4154
...
F4154	F4154	F4154
...
		F4154
		...
		F4154
		...
		F4154
		...
F4154	F4154	F4154
...
38(2)(d)	237(5) of the Taxes Act	254(1) of the Taxes Act 1988
38(3)	from beginning to “such rights”	Any gains accruing on the disposal of exploration or exploitation rights
38(3B)	533 of the Taxes Act	839 of the Taxes Act 1988
38(5)	the Taxes Act	the Taxes Act 1970
59	all of subsection (2)	(2) In this Act— (a) “the Taxes Act 1970” means the Income and

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		Corporation Taxes Act 1970; and
		(b) “the Taxes Act 1988” means the Income and Corporation Taxes Act 1988.
F4155	F4155	F4155
...
F4155	F4155	F4155
...
<i>In the Friendly Societies Act 1974 c. 46</i>		
Section 7(5)	(2) and (3) respectively of section 337 of the Income and Corporation Taxes Act 1970	(1) and (2) respectively of section 466 of the Income and Corporation Taxes Act 1988
93(4)	226(13) of the Income and Corporation Taxes Act 1970	620(9) of the Income and Corporation Taxes Act 1988
F4156	F4156	F4156
...
F4149	F4149	F4149
...
<i>In the Finance Act 1976 c. 40</i>		
F4157	F4157	F4157
...
F4157	F4157	F4157
...
F4157	F4157	F4157
...
F4157	F4157	F4157
...
131(2)	from beginning to “such a security”	A security issued by the Inter-American Development Bank
<i>In the Finance Act 1978 c. 42</i>		
F4158	F4158	F4158
...
F4158	F4158	F4158
...

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<i>F4149</i>	<i>F4149</i>	<i>F4149</i>
...
<i>In the European Parliament (Pay and Pensions) Act 1979 c. 50</i>		
Section 8(1)	subsections (1A) and (1B) of section 229 of the Income and Corporation Taxes Act 1970	section 629(2) and (3) of the Income and Corporation Taxes Act 1988
<i>In the Finance Act 1980 c.48</i>		
Section		
<i>F4159</i>	<i>F4159</i>	<i>F4159</i>
...
<i>F4159</i>	<i>F4159</i>	<i>F4159</i>
...
<i>F4159</i>	<i>F4159</i>	<i>F4159</i>
...
<i>F4159</i>	<i>F4159</i>	<i>F4159</i>
...
118	the whole of subsection (3)	(3) The trustees of the National Heritage Memorial Fund shall be treated for the purposes of section 49(2) of the Finance Act 1974 and section 99 above as a body of persons established for charitable purposes only.
122(2)	1970	1970 and “the Taxes Act 1988” means the Income and Corporation Taxes Act 1988
Schedule		
<i>F4149</i>	<i>F4149</i>	<i>F4149</i>
...
<i>In the Finance Act 1981 c. 35</i>		
<i>F4149</i>	<i>F4149</i>	<i>F4149</i>
...
139(2)	1970	1988

Changes to legislation: Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

In the Housing (Northern Ireland) Order 1981 (S.I. No.156 N.I.3)

Article 146(3)	341 (three times)	488
146(3)	1970 (three times)	1988

In the Iron and Steel Act 1982 c. 25

Section 13(3)	252(3) of the Income and Corporation Taxes Act 1970	343(3) of the Income and Corporation Taxes Act 1988
13(4)	265(1) of the Income and Corporation Taxes Act 1970	345(1) of the Income and Corporation Taxes Act 1988

In the Finance Act 1982 c. 39

Section 27	this Act (three times)	this Act or the Taxes Act 1988
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F4160	F4160	F4160
...
F4160	F4160	F4160
...
F4160	F4160	F4160
...

88(9)(a)	Chapter IV of Part II of the Finance Act 1985	section 710 of the Taxes Act 1988
88(9)(b)	section 36 of the Finance Act 1984	Schedule 4 to that Act
88(9)(c)	VII of Part II of that Act	V of Part XVII of the Taxes Act 1988
147(1)	532(1)(b) of the Taxes Act	838 of the Taxes Act 1988
147(2), (3)	the Taxes Act	the Taxes Act 1970
157	the whole of subsection (2)	(2) In this Act—

(a) “the Taxes Act 1970” means the Income and Corporation Taxes Act 1970; and

(b) “the Taxes Act 1988” means the Income and Corporation Taxes Act 1988.

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F4160	F4160	F4160
...
	F4160	F4160

F4160	F4160	F4160
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F4160	F4160	F4160
...
F4160	F4160	F4160
...
F4160	F4160	F4160
...
13, para.3(3)(a)	463 of the Taxes Act	706 of the Taxes Act 1988
21, para.3(2)		
<i>In the Finance Act 1983</i>		
<i>c. 28</i>		
Section 46(3)	Commission	Historic Buildings and Monuments Commission
F4149	F4149	F4149
...
		(ab) deep discount securities (within the meaning of Schedule 4 to the Income and Corporation Taxes Act 1988); nor
<i>In the</i>		
<i>Telecommunications Act</i>		
<i>1984 c. 12</i>		
F4161	F4161	F4161
...
72(3)(b)	paragraph (a) of the proviso to section 21(3) of the Finance Act 1970	section 592(5) of the Income and Corporation Taxes Act 1988
72(3)	II of Part II of the said Act of 1970	I of Part XIV of that Act
F4161	F4161	F4161
...
<i>In the Finance Act 1984</i>		
<i>c. 43</i>		
F4149	F4149	F4149
...

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F4162	F4162	F4162
...
128	1970	1970; and “the Taxes Act 1988” means the Income and Corporation Taxes Act 1988
Schedule 14, para.1(1)	VII of Part II of this Act	V of Part XVII of the Taxes Act 1988
para.7(6)(b)	45 of the Finance Act 1981	740 of the Taxes Act 1988
para.8(6)	45 of the Finance Act 1981	740 of the Taxes Act 1988
para.12(7)	45 of the Finance Act 1981	740 of the Taxes Act 1988
para.15(2)	(5) of section 481 of the Taxes Act	(6) of section 745 of the Taxes Act 1988

*In the Inheritance Tax Act
1984 c. 51*

F4163

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F4164

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F4165

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*In the Finance Act 1985
c. 54*

F4166

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F4166

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F4166

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F4149

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F4167

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F4149

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Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

*In the Companies Act
 1985 c. 6*

Section 209(3)(b)	444 of the Income and Corporation Taxes Act 1970	670 of the Income and Corporation Taxes Act 1988
F4168	F4168	F4168
...
F4168	F4168	F4168
...

*In the Trustee Savings
 Bank Act 1985 c. 58*

Schedule 2 para.4(2)	Taxes Act (twice)	the Income and Corporation Taxes Act 1970
6(1)	137	100
(4)	177	393
(8)	29 of the Finance Act 1973	410(1) to (6) of the Taxes Act
7(2)	26 of the Finance Act 1982	369 of the Taxes Act
9(1)	1970	1988

*In the Bankruptcy
 (Scotland) Act 1985 c. 66*

Schedule 3 Part I para.1(1)	204 of the Income and Corporation Taxes Act 1970	203 of the Income and Corporation Taxes Act 1988
para.1(2)	69 of the Finance (No.2) Act 1975	559 of the Income and Corporation Taxes Act 1988

*In the Housing
 Associations Act 1985
 c. 69*

Section 62(2)	341	488
62(2)	1970	1988

*In the Airports Act 1986
 c. 31*

Section 77(2)	1970 Act	Income and Corporation Taxes Act 1970
77(4)	48(10) of the Finance Act 1981	400(9) of the 1988 Act
77(5)	261(2) of the 1970 Act	408(2) of the 1988 Act
77(5)	262(1) of the 1970 Act	409(1) of that Act

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

*In the Financial Services
 Act 1986 c. 60*

Schedule 15, para.14(5)	332	460(1) or 461(1)
para.14(5)	1970	1988

*In the Companies
 (Northern Ireland) Order
 1986 (S.I.No.1032 N.I.6)*

Article 217(3)(b)	444 <i>of the Income and Corporation Taxes Act 1970</i>	670 <i>of the Income and Corporation Taxes Act 1988</i>
F4168	F4168	F4168
...
F4168	F4168	F4168
...
F4172	F4172	F4172
...

*In the Finance Act 1987
 c. 16*

Section		
72	1970	1988

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

Section 53(6)	65(1A)	351(2)
53(6)	1970	1988
63(9)	65(1A)	351(2)
63(9)	1970	1988

*In the Abolition
 of Domestic Rates
 Etc. (Scotland) Act 1987
 c. 47*

Section 3(5)	the whole of paragraph (b)	(b) “retail prices index” has the meaning given by section 833 of the Income and Corporation Taxes Act 1988
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*In the Finance (No.2) Act
 1987 c. 51*

Section 84(1)	247 of the Taxes Act	12 of the Income and Corporation Taxes Act 1988
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Textual Amendments

- F4139** Entries in Sch. 29 para. 32 Table repealed by [Capital Allowances Act 1990 \(c. 1\), s. 164, Sch. 2](#)
- F4140** Entries in Sch. 29 para. 32 Table repealed (with effect in accordance with s. 90 of the repealing Act) by [Finance Act 1990 \(c. 29\), Sch. 19 Pt. 5](#), Note 2
- F4141** [Sch. 29 para. 32 Table](#): entries omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 1, Sch. para. 60(b)(i)
- F4142** Entry in Sch. 29 para. 32 repealed (with effect in accordance with Sch. 29 Pt. 8(8) Note of the repealing Act) by [Finance Act 1995 \(c. 4\), Sch. 29 Pt. 8\(8\)](#)
- F4143** Entries in Sch. 29 para. 32 Table repealed by [Finance Act 1989 \(c. 26\), Sch. 17 Pt. 5](#), Note 6
- F4144** Entries in Sch. 29 para. 32 Table repealed (1990-91 and subsequent years) by [Finance Act 1988 \(c. 39\), s. 148, Sch. 14 Pt. 8](#), Note 6
- F4145** Entries in Sch. 29 para. 32 Table repealed (1988-89 and subsequent years) by [Finance Act 1988 \(c. 39\), s. 148, Sch. 14 Pt. 4](#), Note 9
- F4146** Entry in Sch. 29 para. 32 Table repealed (3.4.1989) by [Finance Act 1988 \(c. 39\), s. 148, Sch. 14 Pt. 9](#), Note; S.I. 1989/473, [art. 2](#)
- F4147** Entry in Sch. 29 para. 32 Table repealed by [Finance Act 1991 \(c. 31, SIF 63:1\), ss. 81, 123, Sch 19 Pt. V](#), Note 1
- F4148** Entries in Sch. 29 para. 32 repealed (with effect in accordance with Sch. 18 para. 17 of the repealing Act) by [Finance Act 1996 \(c. 8\), Sch. 41 Pt. 5\(8\)](#), Note
- F4149** Entries in Sch. 29 para. 32 repealed (6.3.1992 with effect as mentioned in s. 289(1)(2) of the repealing Act) by [Taxation of Chargeable Gains Act 1992 \(c. 12\), ss. 289, 290, Sch. 12](#) (with ss. 60, 101(1), 172, 201(3), Sch. 11 paras. 22, 26(2), 27).
- F4150** Entries in Sch. 29 para. 32 Table repealed by [Capital Allowances Act 1990 \(c. 1\), s. 164, Sch. 2](#)
- F4151** Entries in Sch. 29 para. 32 Table repealed by [Capital Allowances Act 1990 \(c. 1\), s. 164, Sch. 2](#)
- F4152** Entries in Sch. 29 para. 32 Table repealed (1988-89 and subsequent years) by [Finance Act 1988 \(c. 39\), s. 148, Sch. 14 Pt. 4](#), Note 9
- F4153** Entries in Sch. 29 para. 32 Table repealed by [Capital Allowances Act 1990 \(c. 1\), s. 164, Sch. 2](#)
- F4154** [Sch. 29 para. 32 Table](#): entries omitted (13.8.2009) by virtue of The Finance Act 2009, Schedule 47 (Consequential Amendments) Order 2009 (S.I. 2009/2035), art. 1, Sch. para. 60(b)(ii)
- F4155** [Sch. 29 para. 32 Table](#): entries repealed (1.4.2010 with effect in accordance with s. 381(1) of the repealing Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\), Sch. 10 Pt. 12](#) (with Sch. 9)
- F4156** Entry in Sch. 29 para. 32 repealed (1.7.1992) by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\), ss. 3, 7\(2\), Sch. 1](#) and by [Social Security \(Consequential Provisions\) \(Northern Ireland\) Act 1992 \(c. 9\), ss. 3, 7\(2\), Sch. 1](#)
- F4157** Entries in Sch. 29 para. 32 Table repealed by [Capital Allowances Act 1990 \(c. 1\), s. 164, Sch. 2](#)
- F4158** Entries in Sch. 29 para. 32 Table repealed by [Capital Allowances Act 1990 \(c. 1\), s. 164, Sch. 2](#)
- F4159** Entries in Sch. 29 para. 32 Table repealed by [Capital Allowances Act 1990 \(c. 1\), s. 164, Sch. 2](#)
- F4160** Entries in Sch. 29 para. 32 Table repealed by [Capital Allowances Act 1990 \(c. 1\), s. 164, Sch. 2](#)
- F4161** [Sch. 29 para. 32 Table](#): entries repealed (25.7.2003 for specified purposes, 29.12.2003 for further specified purposes) by [Communications Act 2003 \(c. 21\), ss. 406\(7\), 411, Sch. 19\(1\)](#), (with transitional provisions in Sch. 18); S.I. 2003/1900, art. 1(2), 2(1), 3(1), [Sch. 1](#) (with art. 3(2) (as amended (8.12.2003) by S.I. 2003/3142, [art. 1\(3\)](#))); S.I. 2003/3142, [art. 3\(2\)](#) (with art. 11)
- F4162** Entry in Sch. 29 para. 32 Table repealed by [Capital Allowances Act 1990 \(c. 1\), s. 164, Sch. 2](#)
- F4163** [Sch. 29 para. 32 Table](#): entries relating to ss. 12(2), 151, 152 of the [Inheritance Tax Act 1984 \(c. 51\)](#) repealed (6.4.2006) by [Finance Act 2004 \(c. 12\), Sch. 42 Pt. 3](#), Note (with Sch. 36)
- F4164** [Sch. 29 para. 32 Table](#): entries relating to ss. 96, 102(1) of the [Inheritance Tax Act 1984](#) repealed (1.4.2010 with effect in accordance with s. 1184(1) of the repealing Act) by [Corporation Tax Act 2010 \(c. 4\), Sch. 3 Pt. 1](#) (with Sch. 2)
- F4165** [Sch. 29 para. 32 Table](#): entry relating to s. 178(1) of the [Inheritance Tax Act 1984](#) repealed (with effect in accordance with Sch. 43 Pt. 4(1) Note of the repealing Act) by [Finance Act 2003 \(c. 14\), Sch. 43 Pt. 4\(1\)](#)
- F4166** Entries in Sch. 29 para. 32 Table repealed by [Capital Allowances Act 1990 \(c. 1\), s. 164, Sch. 2](#)

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- F4167** Entry in Sch. 29 para. 32 Table repealed (1988-89 and subsequent years) by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Pt. 4](#), Note 9
- F4168** Entries in Sch. 29 para. 32 Table repealed by [Finance Act 1988 \(c. 39\)](#), s. 148, [Sch. 14 Pt. 7](#), Note 1
- F4169** Entries in Sch. 29 para. 32 Table repealed by [Capital Allowances Act 1990 \(c. 1\)](#), s. 164, [Sch. 2](#)
- F4170** [Sch. 29 para. 32 Table](#): entries repealed (15.9.2003) by [Enterprise Act 2002 \(c. 40\)](#), s. 279, [Sch. 26: S.I. 2003/2093](#), art. 2(1), [Sch. 1](#) (with art. 4)
- F4171** Entry in Sch. 29 para. 32 repealed (1.7.1992) by [Social Security \(Consequential Provisions\) Act 1992 \(c. 6\)](#), ss. 3, 7(2), [Sch. 1](#)
- F4172** Entry in Sch. 29 para. 32 repealed (1.7.1992) by [Social Security \(Consequential Provisions\) \(Northern Ireland\) Act 1992 \(c. 9\)](#), ss. 3, 7(2), [Sch. 1](#)

SCHEDULE 30

Section 844.

TRANSITIONAL PROVISIONS AND SAVINGS

Corporation tax payment dates

- 1 (1) In this paragraph, an “old company” means a company to which section 244 of the 1970 Act applied in respect of the last accounting period ending before 17th March 1987.
- (2) In relation to an old company —
- (a) “the company's section 244 interval” means the interval after the end of an accounting period of the company which, in accordance with section 244 of the 1970 Act, was the period within which corporation tax assessed for that period was required to be paid; and
- (b) “the period of reduction” means the number of whole days which are comprised in a period equal to one-third of the difference between nine months and the company’s section 244 interval.
- (3) Subject to sub-paragraph (6) below, with respect to the first accounting period of an old company beginning on or after 17th March 1987, section 243(4) of the 1970 Act and section 10(1) of this Act (time for payment of corporation tax) shall have effect as if for the reference to nine months there were substituted a reference to a period which is equal to the company’s section 244 interval less the period of reduction.
- (4) Subject to sub-paragraph (6) below, with respect to any accounting period of an old company which begins —
- (a) after the accounting period referred to in sub-paragraph (3) above, but
- (b) before the second anniversary of the beginning of that period,
- section 10(1) of this Act shall have effect as if for the reference to nine months there were substituted a reference to a period equal to the previous payment interval less the period of reduction.
- (5) In relation to any accounting period of an old company falling within sub-paragraph (4) above, “the previous payment interval” means the interval after the end of the immediately preceding accounting period within which corporation tax for that preceding period is required to be paid by virtue of section 243(4) of the 1970 Act or section 10(1) of this Act, as modified by this paragraph.

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- (6) If the accounting period referred to in sub-paragraph (3) above or any accounting period falling within sub-paragraph (4) above is less than 12 months, the sub-paragraph in question shall have effect in relation to that accounting period as if for the reference in that sub-paragraph to the period of reduction there were substituted a reference to the number of whole days comprised in a period which bears to the period of reduction the same proportion as that accounting period bears to 12 months.
- (7) With respect to any accounting period of an old company which falls within sub-paragraph (3) or (4) above, section 86(4) of the Management Act (interest on overdue tax) shall have effect as if, in paragraph 5(a) of the Table (the reckonable date in relation to corporation tax), the reference to the nine months mentioned in section 243(4) of the 1970 Act or section 10(1) of this Act were a reference to the period which, under sub-paragraphs (3) to (6) above, is substituted for those nine months.
- (8) In section 88(5)(e) of the Management Act (the date when corporation tax ought to have been paid) for the words from “where section 244(1)” to “the interval” there shall be substituted “ in the case of an accounting period in respect of which section 10(1) of the principal Act applies as modified by sub-paragraph 1(3) or (4) of Schedule 30 to that Act, at the end of the period which, under that sub-paragraph, is substituted for the period of nine months ”.
- (9) With respect to any accounting period of an old company which falls within sub-paragraph (3) or (4) above, section 825 shall have effect as if, in subsection (8) in paragraph (a) of the definition of “the material date”, the reference to the nine months mentioned in section 10(1) were a reference to the period which, under sub-paragraphs (1) to (8) above is substituted for those nine months.

Duration of leases

2 F4173

Textual Amendments

F4173Sch. 30 paras. 2-4 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 292(2), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

3 F4174

Textual Amendments

F4174Sch. 30 paras. 2-4 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 292(2), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

4 F4175

Textual Amendments

F4175Sch. 30 paras. 2-4 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 292(2), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

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*Repeal of section 136 of the Income Tax Act 1952:
allowance of annual value of land as a business expense*

5 F4176

Textual Amendments

F4176Sch. 30 para. 5 repealed (1.4.2009 with effect in accordance with s. 1329(1) of the repealing Act) by Corporation Tax Act 2009 (c. 4), Sch. 1 para. 292(3), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

Loss relief etc.

- 6 (1) The substitution of this Act for the corresponding enactments repealed by this Act shall not alter the effect of any provision enacted before this Act (whether or not there is a corresponding provision in this Act) so far as it determines whether and to what extent —
- (a) losses or expenditure incurred in, or other amounts referable to, a chargeable period earlier than those to which this Act applies may be taken into account for any tax purposes in a chargeable period to which this Act applies; or
 - (b) losses or expenditure incurred in, or other amounts referable to, a chargeable period to which this Act applies may be taken into account for any tax purposes in a chargeable period earlier than those to which this Act applies.
- (2) Without prejudice to sub-paragraph (1) above, the repeals made by this Act shall not affect the following enactments (which are not re-enacted) —
- (a) section 27(4) of the Finance Act 1952 (restrictions on removal of six year time limit on carry forward of trading losses);
 - (b) section 29(3) of the Finance Act 1953 (Isles of Scilly);
 - (c) section 17 of, and Schedule 3 to, the Finance Act 1954 (company reconstructions before corporation tax) so far as in force by virtue of the saving in Part IV of Schedule 22 to the Finance Act 1965, and section 80(8) of the Finance Act 1965 (which amends Schedule 3 to the Finance Act 1954);
 - (d) section 82(4) of the Finance Act 1965 (losses allowable against chargeable gains);
 - (e) section 85 of the Finance Act 1965 (carry forward of surplus of franked investment income: dividends paid out of pre-1966-67 profits) and the enactments amending that section;
 - (f) paragraph 25 of Schedule 15 to the Finance Act 1965 (continuity of elections for purposes of corporation tax);
 - (g) paragraph 7 of Schedule 16 to the Finance Act 1965 (overseas trade corporations);
- in so far as those enactments may be relevant to tax for any chargeable period to which this Act applies.
- 7 (1) This paragraph shall apply with respect to claims for group relief in respect of any amount which is attributable —
- (a) to writing-down allowances, within the meaning of Chapter II of Part I of the 1968 Act, or, as the case may require, Chapter I of Part III of the Finance Act 1971, in respect of expenditure incurred by the surrendering company on the provision of machinery or plant; or

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- (b) to initial allowances under section 56 of the 1968 Act (expenditure in connection with mines etc.) in respect of expenditure incurred by the surrendering company and falling within section 52(1) of that Act of 1971 (works in a development area or in Northern Ireland); or
 - (c) to allowances under section 91 of the 1968 Act in respect of expenditure incurred by the surrendering company on scientific research;

where the expenditure is incurred under a contract entered into by the surrendering company before 6th March 1973.
- (2) Notwithstanding anything in section 410(1) to (6) or 413(7) to (10) or in Schedule 18 but subject to sub-paragraph (5) below, group relief may be claimed in respect of any such amount as is referred to in sub-paragraph (1) above if —
 - (a) immediately before 6th March 1973 —
 - (i) the surrendering company and the company claiming relief were members of a group of companies, and
 - (ii) throughout the period beginning on that date and ending at the end of the accounting period in respect of which the claim is made, there is no reduction in the rights of the parent company with respect to the matters specified in section 413(7)(a) and (b); or
 - (b) immediately before 6th March 1973 the company claiming relief was a member of a consortium and, throughout the period beginning on that date and ending at the end of the accounting period in respect of which the claim is made, there is
 - (i) no variation in the percentage of the ordinary share capital of the company owned by the consortium which is beneficially owned by that member, and
 - (ii) no reduction in the rights of that member (in respect of the company owned by the consortium) with respect to the matters specified in section 413(7)(a) and (b);

and in either case no such arrangements as are specified in section 410(1) or (2) have come into existence after 5th March 1973 with respect to any of the companies concerned and no variation is made in any such arrangements which are in existence on that date with respect to any of those companies.
- (3) For the purposes of sub-paragraph (2)(a) above, “the parent company” means the company of which another member of the group referred to in that sub-paragraph was, immediately before 6th March 1973, a 75 per cent subsidiary, and the rights of the parent company referred to in that paragraph are —
 - (a) if the parent company is either the surrendering company or the company claiming relief, its rights in the other company; and
 - (b) in any other case, its rights in both the surrendering company and the company claiming relief.
- (4) For the purposes of this paragraph an amount which the claimant company claims by way of group relief shall be treated as attributable to an allowance falling within any of paragraphs (a) to (c) of sub-paragraph (1) above to the extent that that amount would not have been available for surrender by the surrendering company if no such allowance had been available to the surrendering company in respect of the expenditure concerned.
- (5) Sub-paragraph (2) above shall not apply if, during the period referred to in that sub-paragraph —

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- (a) there is a major change in the nature or conduct of a trade or business carried on by the relevant company; or
 - (b) the relevant company sets up and commences a trade or business [^{F4177}, or begins to carry on a trade,] which it did not carry on immediately before 6th March 1973.
- (6) In sub-paragraph (5) above —“a major change in the nature or conduct of a trade or business” has the same meaning as in section 245(1); and “the relevant company” means, if the machinery or plant to which the allowance relates was brought into use on or before 6th March 1978, the company claiming group relief and in any other case either that company or the company which if sub-paragraph (5) did not apply would be the surrendering company.
- (7) This paragraph shall be construed as if it were contained in Chapter IV of Part X.

Textual Amendments

F4177 Words in [Sch. 30 para. 7\(5\)\(b\)](#) inserted (1.4.2009 with effect in accordance with [s. 1329\(1\)](#) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), [Sch. 1 para. 292\(4\)](#) (with [Sch. 2 Pts. 1, 2](#))

Capital allowances

- 8 Without prejudice to paragraphs 6 and 7 above, where a person is, immediately before the commencement of this Act, entitled to a capital allowance by virtue of any enactment repealed by this Act, he shall not cease to be so entitled by reason only of that repeal, notwithstanding that the enactment in question is not re-enacted by this Act; and accordingly the provisions of this Act shall apply, with any necessary modifications, so far as may be necessary to give effect to any such entitlement.

Social security benefits

- 9 ^{F4178}

Textual Amendments

F4178 [Sch. 30 paras. 9, 14, 15, 19, 20](#) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), [s. 3\(2\)](#), [Sch. 1 Pt. 10](#) Group 1

Children's settlements: irrevocable dispositions made before 22nd April 1936

- 10 ^{F4179}

Textual Amendments

F4179 [Sch. 30 paras. 10-12](#) repealed (with effect in accordance with [Sch. 29 Pt. 8\(8\)](#) Note of the repealing Act) by [Finance Act 1995 \(c. 4\)](#), [Sch. 29 Pt. 8\(8\)](#)

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Pre-1959 settlements

11 F4180

Textual Amendments

F4180 Sch. 30 paras. 10-12 repealed (with effect in accordance with Sch. 29 Pt. 8(8) Note of the repealing Act) by Finance Act 1995 (c. 4), **Sch. 29 Pt. 8(8)**

12 F4181

Textual Amendments

F4181 Sch. 30 paras. 10-12 repealed (with effect in accordance with Sch. 29 Pt. 8(8) Note of the repealing Act) by Finance Act 1995 (c. 4), **Sch. 29 Pt. 8(8)**

General powers of amendment in Acts relating to overseas countries

13 Where under any Act passed before this Act and relating to a country or territory outside the United Kingdom there is a power to affect Acts passed or in force before a particular time, or instruments made or having effect under such Acts, and the power would but for the passing of this Act have included power to change the law which is reproduced in, or is made or has effect under, this Act, then that power shall include power to make such provision as will secure the like change in the law reproduced in, or made or having effect under, this Act notwithstanding that it is not an Act passed or in force before that time.

Double taxation agreements

14 F4182

Textual Amendments

F4182 Sch. 30 paras. 9, 14, 15, 19, 20 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1

Securities

15 F4183

Textual Amendments

F4183 Sch. 30 paras. 9, 14, 15, 19, 20 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1

Building societies

16 Any enactment relating to building societies contained in this Act which re-enacts an enactment which was an existing enactment for the purposes of section 121 of

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the Building Societies Act 1986 shall continue to be an existing enactment for those purposes.

Pension business

- 17 Any reference to pension business in any enactment (other than an enactment repealed by this Act) which immediately before the commencement of this Act was such a reference by virtue of paragraph 11(3) of Part III of Schedule 5 to the Finance Act 1970 shall not be affected by the repeal by this Act of that paragraph and accordingly the business in question shall continue to be known as pension business.

Stock relief

- 18 F4184

Textual Amendments

F4184 Sch. 30 paras. 18, 18A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 352(3), Sch. 3 (with Sch. 2)

- [F4185 18A F4186]

Textual Amendments

F4185 Sch. 30 para. 18A inserted by Capital Allowances Act 1990 (c. 1), s. 164, Sch. 1 para. 8(43)
F4186 Sch. 30 paras. 18, 18A repealed (6.4.2005 with effect in accordance with s. 883(1) of the repealing Act) by Income Tax (Trading and Other Income) Act 2005 (c. 5), Sch. 1 para. 352(3), Sch. 3 (with Sch. 2)

Schedule E emoluments

- 19 F4187

Textual Amendments

F4187 Sch. 30 paras. 9, 14, 15, 19, 20 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), Sch. 1 Pt. 10 Group 1

Unitary states

- 20 F4188

Textual Amendments

F4188 Sch. 30 paras. 9, 14, 15, 19, 20 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), Sch. 1 Pt. 10 Group 1

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Continuity and construction of references to old and new law

- 21 (1) The continuity of the operation of the Tax Acts and of the law relating to chargeable gains shall not be affected by the substitution of this Act for the enactments repealed by this Act and earlier enactments repealed by and corresponding to any of those enactments (“the repealed enactments”).
- (2) Any reference, whether express or implied, in any enactment, instrument or document (including this Act and any Act amended by this Act) to, or to things done or falling to be done under or for the purposes of, any provision of this Act shall, if and so far as the nature of the reference permits, be construed as including, in relation to the times, years or periods, circumstances or purposes in relation to which the corresponding provision in the repealed enactments has or had effect, a reference to, or as the case may be to things done or falling to be done under or for the purposes of, that corresponding provision.
- (3) Any reference, whether express or implied, in any enactment, instrument or document (including the repealed enactments and enactments, instruments and documents passed or made after the passing of this Act) to, or to things done or falling to be done under or for the purposes of, any of the repealed enactments shall, if and so far as the nature of the reference permits, be construed as including, in relation to the times, years or periods, circumstances or purposes in relation to which the corresponding provision in this Act has effect, a reference to, or as the case may be to things done or falling to be done under or for the purposes of, that corresponding provision.
- (4) Any reference to Case VIII of Schedule D, whether a specific reference or one imported by more general words, in any enactment, instrument or document shall, in relation to the chargeable periods to which section 843(1) applies, be construed as a reference to Schedule A, and for the purposes of sub-paragraph (2) above, Schedule A in this Act shall be treated as corresponding to Case VIII of Schedule D in the repealed enactments, and any provision of this Act or of any Act passed after 12th March 1970 and before this Act referring to Schedule A shall be construed accordingly.

SCHEDULE 31 – REPEALS

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Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

SCHEDULE 31

Section 844.

REPEALS

Chapter	Short title	Extent of repeal
1965 c. 25.	Finance Act 1965	Section 84. Schedule 20. * * * * *
1970 c. 9.	Taxes Management Act 1970	In section 88(5)(e) the words from "or" to the end. In section 118(1)(a) the words from "as" to "Act". In Schedule 2, in paragraph 2(2), the words "section 511". (See 1991 edition for these repeals.)
1970 c. 10.	Income and Corporation Taxes Act 1970	Sections 11 to 14.
1970 c. 24.	Finance Act 1970.	Section 16. Sections 19 to 26. Section 29(1), (2), (3)(a), (4) and (8). * * * * *
1970 c. 54.	Income and Corporation Taxes (No.2) Act 1970	In Schedule 4, paragraphs 6, 8, 9(6) and 11. Schedule 5. The whole Act.
1971 c. 68.	Finance Act 1971	Sections 13 to 20. Section 21(1) to (5). Sections 22 to 28. Sections 32 to 36. Section 39. * * * * *
		Schedule 2. Schedule 3, except paragraph 8. Schedule 4. In Schedule 6, Parts I and III. Schedule 7. * * * * *

Chapter	Short title	Extent of repeal
1972 c. 41.	Finance Act 1972	In Schedule 9, paragraph 4. Sections 62 to 66. Section 67(2)(c). Sections 70 to 77. Sections 79 to 95. Sections 97 to 110. Section 111(2). Section 124. Schedules 9 to 23. In Schedule 24, paragraphs 15 to 33.
1973 c. 51.	Finance Act 1973	Sections 10 to 31. In section 32, subsection (5) and in subsection (6) the words from "sections" to "1972". Sections 33 to 36. In section 38, in subsection (1) the words "income tax" and "and corporation tax" and subsection (6). Sections 39 and 40. Section 43. Sections 52 and 53. In section 54(1) the words "income tax, corporation tax or". Schedules 8 to 14. In Schedule 15, paragraphs 1 and 3. Schedule 16. In Schedule 21, paragraphs 6 to 9.
1974 c. 30.	Finance Act 1974	Sections 7 to 16. Sections 18 to 23. Sections 25 to 28. Section 30. Sections 36 and 37. In section 52 the words "the Income Tax Acts, the Corporation Tax Acts and". Schedules 1 and 2. In Schedule 12, paragraphs 7 to 12.

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Chapter	Short title	Extent of repeal
	* * *	* *
1974 c. 46.	Friendly Societies Act 1974	Section 64. In Schedule 9, paragraph 23.
	* * *	* *
1975 c. 7.	Finance Act 1975	Sections 5 to 12. Sections 16 and 17. Schedules 1 and 2. In Schedule 12, paragraphs 16 and 19.
	* * *	* *
1975 c. 22 [See Oil Taxation Acts.]		
1975 c. 45.	Finance (No. 2) Act 1975	Sections 25 to 43. Section 44(1) to (3) and (6). Section 46(6). * * * * *
		Section 48. Sections 50 to 53. Sections 68 to 71. Schedule 8. Schedules 12 and 13. Sections 24 to 38. Sections 44 to 50. Sections 60 to 71. Section 72(1) to (12). Schedules 4, 7 and 8. In Schedule 9, paragraphs 3, 4, 8, 9 and 12 to 16.
	* * *	* *
1976 c. 40.	Finance Act 1976	Sections 17 to 39. Sections 45 to 48. Schedules 7 and 8.
	* * *	* *
1977 c. 36.	Finance Act 1977	Sections 17 to 39. Sections 45 to 48. Schedules 7 and 8.
	* * *	* *

Chapter	Short title	Extent of repeal
1977 c. 53.	Finance (Income Reliefs) Act 1977	The whole Act. * *
	* * *	* *
1978 c. 42.	Finance Act 1978	Sections 13 to 28. Section 29(1), (2) and (4). Sections 30 to 36. Sections 41 to 43. Sections 53 to 61. Schedules 2 to 5. Schedule 9. * *
	* * *	* *
1979 c. 14.	Capital Gains Tax Act 1979	* * * * *
1979 c. 25.	Finance Act 1979	The whole Act. * * * * *
	* * *	* *
1979 c. 47.	Finance (No.2) Act 1979	Sections 5 to 13. Sections 15 and 16. * * * * *
		Schedules 1 and 2. Sections 18 to 56. Section 57(1), (2)(b), (3) and (4). Sections 59 and 60. Section 61(1). Section 63. Section 70(1), (2), (4), (5) and (6). Section 88(7). * * * * *
1980 c. 48.	Finance Act 1980	Section 118(1) and (2). Section 119. Section 121. Schedules 8 to 11. * * * * *

SCHEDULE 31 – REPEALS

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Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Chapter	Short title	Extent of repeal
1981 c. 35.	Finance Act 1981	Sections 19 to 37. Section 38(1) and (2). Sections 39 to 72. * * * * * Section 138. Schedules 9 to 12. * * * * *
1982 c. 39.	Finance Act 1982	Sections 20 to 26. Sections 28 to 67. Section 78. * * * * * Schedules 7 to 10. * * * * *
1983 c. 28.	Finance Act 1983	Sections 10 to 28. Section 46(1), (2) and (3)(a) and (b). Schedules 4 and 5. Sections 1 to 5. Schedule 1.
1983 c. 49.	Finance (No. 2) Act 1983	
1983 c. 56 [See Oil Taxation Acts.]		
1984 c. 43.	Finance Act 1984	Sections 17 to 43. * * * * * Sections 45 to 49. * * * * *

Chapter	Short title	Extent of repeal
		Sections 51 to 55. In section 56, subsections (1) and (2) and in subsection (4) the words from the beginning to "assessment and". Section 72. In section 73, subsections to (3), (5) and (6). Sections 74 to 77. * * * * * Sections 82 to 100. Section 126(3)(a). Schedules 7 to 10. * * * * * Schedules 15 to 20. * * * * *
1984 c. 51.	Inheritance Tax Act 1984	In Schedule 8, paragraphs 8, 17, 18, 21 and 22. * * * * *
1985 c. 54.	Finance Act 1985	Sections 34 to 49. Sections 51 to 54. Section 60. Sections 64 and 65. * * * * * Sections 73 to 77. Schedules 9 to 13. In Schedule 14, paragraph 16. Schedule 18. Schedules 22 and 23. In Schedule 25, paragraphs 7, 8 and 9. * * * * *

Changes to legislation: *Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

Chapter	Short title	Extent of repeal
1986 c. 41.	Finance Act 1986	Sections 16 to 23. Section 24(1) to (3). Sections 25 to 32. Sections 34 to 54. Section 56(7)(a) and (b). Sections 61 to 63. Schedules 7 and 8. In Schedule 9, paragraphs 1 to 21 and 23. Schedules 10, 11 and 12. In Schedules 13, paragraphs 2(5)(a) and (b) and 26 and 27. In Schedule 16, paragraph 10(7). Schedule 17. In Schedule 18, paragraphs 1 to 6, in paragraph 9(1), paragraph (a) and in paragraph (c) the words "section 477 or" and paragraph 9(2). * * * * *
1987 c. 16.	Finance Act 1987	Sections 20 to 39. Section 40(1) and (2). Sections 41 to 46. Section 70(1). Section 71. Schedules 3 to 6. * * * * * Schedule 15, except paragraph 12. * * * * *

Chapter	Short title	Extent of repeal
1987 c. 51.	Finance (No. 2) Act 1987	Sections 1 to 63. Section 64(2). Sections 65 to 68. Sections 70 and 71. In section 73(1) the words "income tax, corporation tax or". Sections 74 to 77. Section 87. In section 88, subsections (5) and (6) and the words following paragraph (c) in subsection (7). Section 90. Sections 92 and 93. Schedules 1 to 5. In Schedule 6, paragraphs 1, 3, 6 and 8.

Changes to legislation:

Income and Corporation Taxes Act 1988 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

View outstanding changes

Changes and effects yet to be applied to :

- s. 109A(4) words substituted by [2005 c. 7 Sch. 4 para. 6\(2\)](#) (This amendment not applied to legislation.gov.uk. The amending provision (2005 c. 7, Sch. 4 para. 6) repealed retrospectively by [2005 c. 22, Sch. 6 para. 4\(1\)\(6\)](#))
- s. 234A excluded by [2009 c. 8 s. 9\(2\)](#) (This amendment not applied to legislation.gov.uk. The amending provision was repealed (16.2.2011) without ever being in force by [2010 c. 36, ss. 2\(1\), 4\(2\)](#))
- s. 266 repealed by [2012 c. 14 Sch. 39 para. 28\(1\)](#)
- s. 266A repealed by [2012 c. 14 Sch. 39 para. 28\(1\)](#)
- s. 274 repealed by [2012 c. 14 Sch. 39 para. 28\(1\)](#)
- s. 824(1)(c) omitted by [2021 c. 26 Sch. 27 para. 10\(a\)](#)
- s. 824(1)(d) words substituted by [2021 c. 26 Sch. 27 para. 10\(b\)](#)
- s. 824(2D)(b) repealed by [2012 c. 14 Sch. 39 para. 28\(1\)](#)
- s. 824(3)(ad) repealed by [2012 c. 14 Sch. 39 para. 28\(1\)](#)
- s. 842(4) words inserted by [2009 c. 10 Sch. 22 para. 11\(2\)](#)
- Sch. 14 repealed by [2012 c. 14 Sch. 39 para. 28\(1\)](#)
- Sch. 15 para. 8 words repealed by [2012 c. 14 Sch. 39 para. 28\(1\)](#)
- Sch. 16 para. 6(5) words repealed by [2001 asp 1 Sch. Pt. 2](#) (This amendment not applied to legislation.gov.uk. Act repealed without ever coming into force by [2002 asp 17, sch. 3 para. 27](#))

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

- Act Tax Acts: power to modify conferred by [2004 c. 25 s. 18](#)
- Act Taxes Acts modified by [1970 c. 9, Sch. A1 para. 10\(7\)](#) (as inserted) by [2017 c. 32 s. 60\(3\)](#)
- Act Taxes Acts modified by [1970 c. 9, s. 8\(7\)](#) (as inserted) by [2017 c. 32 Sch. 14 para. 3\(15\)](#)
- Act Taxes Acts modified by [1970 c. 9, s. 8A\(7\)](#) (as inserted) by [2017 c. 32 Sch. 14 para. 4\(12\)](#)
- Act applied (with modifications) by [S.I. 2010/875 reg. 16Sch. 2](#) (This amendment not applied to legislation.gov.uk. S.I. 2010/875 was revoked (27.8.2010) by SI 2010/1906, reg. 2 without having come into force)

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

- s. 109A(4B) inserted by [2005 c. 7 Sch. 4 para. 6\(3\)](#) (This amendment not applied to legislation.gov.uk. The amending provision (2005 c. 7, Sch. 4 para. 6) repealed retrospectively by [2005 c. 22, Sch. 6 para. 4\(1\)\(6\)](#))
- Sch. 19AB para. 5(5)(a)(b) words substituted by [S.I. 2001/3629 art. 52\(2\)\(n\)](#) (This amendment not applied to legislation.gov.uk. The words to be substituted do not occur in Sch. 19AB para. 5)