



Income and Corporation Taxes Act 1988

1988 CHAPTER 1

PART VII

GENERAL PROVISIONS RELATING TO TAXATION OF INCOME OF INDIVIDUALS

CHAPTER IV

SPECIAL PROVISIONS

313 Taxation of consideration for certain restrictive undertakings

(1) Where—

- (a) an individual who holds, has held, or is about to hold, an office or employment gives in connection with his holding that office or employment an undertaking (whether absolute or qualified, and whether legally valid or not) the tenor or effect of which is to restrict him as to his conduct or activities; and
- (b) in respect of the giving of that undertaking by him, or of the total or partial fulfilment of that undertaking by him, any sum is paid either to him or to any other person; and
- (c) apart from this section, the sum paid would neither fall to be treated as income of any person for the purposes of income tax for any year of assessment nor fall to be taken into account as a receipt in computing, for the purposes of income tax for any year of assessment, the amount of any income of, or loss incurred by, any person;

that sum shall be treated for the purpose of computing that individual's total income as received by him after deduction of income tax from a corresponding gross amount ("the gross amount").

(2) In any case where subsection (1) above applies—

- (a) no assessment shall be made on the individual in respect of income tax at the basic rate on the gross amount but he shall be treated as having paid income tax at the basic rate on that amount or, if his total income is reduced by any

- deductions, on so much of that amount as is part of his total income as so reduced;
- (b) no repayment shall be made of income tax treated by virtue of paragraph (a) above as having been paid; and
 - (c) the gross amount shall be treated for the purposes of sections 348 and 349 as not brought into charge to income tax.
- (3) Where the individual has died before the payment of the sum referred to in subsection (1) above, so much of subsections (1) and (2) above as relates to the results which are to follow from the matters specified in paragraphs (a) to (c) of subsection (1) above shall have effect as if that sum had been paid immediately before the death.
- (4) Where valuable consideration otherwise than in the form of money is given in respect of the giving of, or of the total or partial fulfilment of, any undertaking, subsections (1) to (3) above shall apply as if a sum had instead been paid equal to the value of that consideration.
- (5) Where any sum is paid or valuable consideration given to any person in any year of assessment in respect of the giving of, or the total or partial fulfilment of, an undertaking satisfying the conditions specified in subsection (1)(a) above (not being a sum from which income tax is duly deducted under any provision of the Income Tax Acts), it shall be the duty of the person paying over the sum or giving the consideration to deliver particulars thereof in writing to the inspector not later than one month after the end of that year, identifying the recipient of the payment or consideration, the undertaking in connection with which it was made or given and the individual who gave that undertaking.
- (6) In this section—
- (a) “office or employment” means any office or employment whatsoever such that the emoluments thereof, if any, are or would be chargeable to income tax under Case I or II of Schedule E; and
 - (b) references to the giving of valuable consideration do not include references to the mere assumption of an obligation to make over or provide valuable property, rights or advantages, but do include references to the doing of anything in or towards the discharge of such an obligation.

314 Divers and diving supervisors

- (1) Where the duties of any employment which are performed by a person in the United Kingdom or a designated area consist wholly or mainly—
- (a) of taking part, as a diver, in diving operations concerned with the exploration or exploitation of the seabed, its subsoil and their natural resources; or
 - (b) of acting, in relation to any such diving operations, as a diving supervisor,
- the Income Tax Acts shall have effect as if the performance by that person of those duties constituted the carrying on by him of a trade within Case I of Schedule D; and accordingly Schedule E shall not apply to the emoluments from the employment so far as attributable to his performance of those duties.
- (2) In this section “designated area” means any area designated under section 1(7) of the Continental Shelf Act 1964.

315 Wounds and disability pensions

- (1) Income from wounds and disability pensions to which this subsection applies shall be exempt from income tax and shall not be reckoned in computing income for any purposes of the Income Tax Acts.
- (2) Subsection (1) above applies to—
 - (a) wounds pensions granted to members of the naval, military or air forces of the Crown;
 - (b) retired pay of disabled officers granted on account of medical unfitness attributable to or aggravated by naval, military or air-force service;
 - (c) disablement or disability pensions granted to members, other than commissioned officers, of the naval, military or air forces of the Crown on account of medical unfitness attributable to or aggravated by naval, military or air-force service;
 - (d) disablement pensions granted to persons who have been employed in the nursing services of any of the naval, military or air forces of the Crown on account of medical unfitness attributable to or aggravated by naval, military or air-force service; and
 - (e) injury and disablement pensions payable under any scheme made under the Injuries in War (Compensation) Act 1914, the Injuries in War Compensation Act 1914 (Session 2) and the Injuries in War (Compensation) Act 1915 or under any War Risks Compensation Scheme for the Mercantile Marine.
- (3) Where the amount of any retired pay or pensions to which subsection (1) above applies is not solely attributable to disablement or disability, the relief conferred by that subsection shall extend only to such part as is certified by the Secretary of State for Social Services, after consultation with the appropriate government department, to be attributable to disablement or disability.

316 Allowances, bounties and gratuities

- (1) Where, under the scheme relating to men in the Armed Forces of the Crown announced on behalf of His Majesty's Government in the United Kingdom on 15th April 1946 or under any other scheme certified by the Treasury to make analogous provision for classes of persons to whom the first-mentioned scheme does not apply, a person who has served in the armed forces of the Crown at any time during the continuance in force of the Emergency Powers (Defence) Act 1939 voluntarily undertakes to serve therein for a further period, any sum payable to him in pursuance of the scheme out of moneys provided by Parliament by way of gratuity at the end of his further period of service shall not be regarded as income for any income tax purposes.
- (2) Where, under the scheme relating to members of the Women's Royal Naval Service, the Auxiliary Territorial Service and the Women's Auxiliary Air Force announced on behalf of His Majesty's Government in the United Kingdom on 20th November 1946, or under any other scheme certified by the Treasury to make analogous provision for classes of persons to whom the first-mentioned scheme does not apply, a woman who has served in or with the armed forces of the Crown at any time during the continuance in force of the Emergency Powers (Defence) Act 1939 voluntarily undertakes to serve in or with those forces for a further period, any sum payable to her in pursuance of the scheme out of moneys provided by Parliament by way of gratuity at the end of her further period of service shall not be regarded as income for any income tax purposes.

- (3) Any allowance payable out of the public revenue to or in respect of any class of persons, being members of the armed forces of the Crown, as respects which the Treasury certifies either—
- (a) that it is payable to the persons in question in lieu of food or drink normally supplied in kind to members of the armed forces, or
 - (b) that it is payable in respect of the persons in question as a contribution to the expenses of a mess,
- shall not be regarded as income for any income tax purposes.
- (4) The sums known as training expenses allowances payable out of the public revenue to members of the reserve and auxiliary forces of the Crown, and the sums payable by way of bounty out of the public revenue to such members in consideration of their undertaking prescribed training and attaining a prescribed standard of efficiency, shall not be treated as income for any income tax purpose.
- (5) Any sum which, in pursuance of the scheme as to service emoluments contained in the Command Paper laid before Parliament in August 1950, becomes payable out of moneys provided by Parliament by way of bounty to a person who, having served in the armed forces of the Crown, voluntarily undertakes to serve for a further period shall not be regarded as income for any income tax purpose.

317 Victoria Cross and other awards

—The following shall be disregarded for all the purposes of the Income Tax Acts—

- (a) annuities and additional pensions paid to holders of the Victoria Cross;
- (b) annuities and additional pensions paid to holders of the George Cross;
- (c) annuities paid to holders of the Albert Medal or of the Edward Medal;
- (d) additional pensions paid to holders of the Military Cross;
- (e) additional pensions paid to holders of the Distinguished Flying Cross;
- (f) additional pensions paid to holders of the Distinguished Conduct Medal;
- (g) additional pensions paid to holders of the Conspicuous Gallantry Medal;
- (h) additional pensions paid to holders of the Distinguished Service Medal;
- (i) additional pensions paid to holders of the Military Medal;
- (j) additional pensions paid to holders of the Distinguished Flying Medal;

where paid by virtue of holding the award.

318 Other pensions in respect of death due to war service etc

- (1) Payments of pensions or allowances to which this section applies shall not be treated as income for any purposes of the Income Tax Acts.
- (2) This section applies to—
- (a) any pension or allowance payable by or on behalf of the Department of Health and Social Security under so much of any Order in Council, Royal Warrant, order or scheme as relates to death due to—
 - (i) service in the armed forces of the Crown or war-time service in the merchant navy, or
 - (ii) war injuries;
 - (b) any pension or allowance at similar rates and subject to similar conditions which is payable by the Ministry of Defence in respect of death due to

peacetime service in the armed forces of the Crown before 3rd September 1939; and

- (c) any pension or allowance which is payable under the law of a country other than the United Kingdom and is of a character substantially similar to a pension or allowance falling within paragraph (a) or (b) above.
- (3) Where a pension or allowance falling within subsection (2) above is withheld or abated by reason of the receipt of another pension or allowance not falling within that subsection, there shall be treated as falling within that subsection so much of the other pension or allowance as is equal to the pension or allowance that is withheld or, as the case may be, to the amount of the abatement.

319 Crown servants: foreign service allowance

—Where any allowance to any person in the service of the Crown is certified by the Treasury to represent compensation for the extra cost of having to live outside the United Kingdom in order to perform his duties, that allowance shall not be regarded as income for any income tax purpose.

320 Commonwealth Agents-General and official agents etc

- (1) An Agent-General who is resident in the United Kingdom shall be entitled to the same immunity from income tax as that to which the head of a mission so resident is entitled under the Diplomatic Privileges Act 1964.
- (2) Any person having or exercising any employment to which this subsection applies (not being a person employed in any trade, business or other undertaking carried on for the purposes of profit) shall be entitled to the same immunity from income tax as that to which a member of the staff of a mission is entitled under the Diplomatic Privileges Act 1964.
- (3) The employments to which subsection (2) above applies are the employment in the United Kingdom as—
- (a) a member of the personal staff of any Agent-General; or
 - (b) an official agent for, or for any state or province of, any of the countries for the time being mentioned in Schedule 3 to the British Nationality Act 1981 or the Republic of Ireland; or
 - (c) an official agent for any self-governing colony,
- of a person certified by the High Commissioner of the country in question or, as the case may be, by the Agent-General for the state, province or self-governing colony in question to be ordinarily resident outside the United Kingdom and to be resident in the United Kingdom solely for the purpose of the performance of his duties as such member or official agent.
- (4) In this section—
- “Agent-General” means the Agent-General for any state or province of a country within subsection (3)(b) above or for any self-governing colony;
 - “High Commissioner” includes the head of the mission of a country within subsection (3)(b) above by whatever name called;
 - “mission” has the same meaning as in the Diplomatic Privileges Act 1964, and references to the head of a mission and a member of the staff of a mission shall be construed in accordance with that Act;

“self-governing colony” means any colony certified by a Secretary of State to be a self-governing colony.

321 Consuls and other official agents

- (1) Income arising from any office or employment to which this section applies shall be exempt from income tax, and no account shall be taken of any such income in estimating the amount of income for any income tax purposes.
- (2) The offices and employments to which this section applies are the following, that is to say—
 - (a) the office of a consul in the United Kingdom in the service of any foreign state; and
 - (b) the employment of an official agent in the United Kingdom for any foreign state, not being an employment exercised by a Commonwealth citizen or a citizen of the Republic of Ireland or exercised in connection with any trade, business or other undertaking carried on for the purposes of profit.
- (3) In this section—

“consul” means a person recognised by Her Majesty as being a consul-general, consul, vice-consul or consular agent; and

“official agent” means a person, not being a consul, who is employed on the staff of any consulate, official department or agency of a foreign state, not being a department or agency which carries on any trade, business or other undertaking for the purposes of profit.

322 Consular officers and employees

- (1) Where a consular officer or employee in the United Kingdom of any foreign state to which this section applies—
 - (a) is not a British citizen, a British Dependent Territories citizen or a British Overseas citizen, and
 - (b) is not engaged in any trade, profession, vocation or employment in the United Kingdom, otherwise than as such a consular officer or employee, and
 - (c) either is a permanent employee of that state or was not ordinarily resident in the United Kingdom immediately before he became a consular officer or employee in the United Kingdom of that state;

then any income of his falling within Case IV or V of Schedule D shall be exempt from income tax, and he shall be treated as not resident in the United Kingdom for the purposes of sections 48 and 123(4).
- (2) Without prejudice to section 321, the income arising from a person’s employment in the United Kingdom as a consular employee of any foreign state to which this section applies shall be exempt from income tax, except in the case of a person who is not a national of that state but is a British citizen, a British Dependent Territories citizen or a British Overseas citizen.
- (3) For the purposes of this section “consular employee” includes any person employed, for the purposes of the official business of a consular officer, at any consulate or consular establishment or at any other premises used for those purposes.
- (4) This section shall apply to any foreign state to which Her Majesty by Order in Council directs that it shall apply for the purpose of giving effect to any consular convention or

other arrangement with that state making similar provision in the case of Her Majesty's consular officers or employees in that state.

- (5) An Order in Council under subsection (4) above—
- (a) may limit the operation of this section in relation to any state in such manner as appears to Her Majesty to be necessary or expedient having regard to the arrangement with that state;
 - (b) may be made so as to have effect from a date earlier than the making of the Order or the passing of this Act (but not earlier than the coming into force of the arrangement with regard to which it is made); and
 - (c) may contain such transitional provisions as appear to Her Majesty to be necessary or expedient;

and any statutory instrument under this section shall be subject to annulment in pursuance of a resolution of the House of Commons.

323 Visiting forces

- (1) The emoluments paid by the government of any designated country to any member of a visiting force of that country who is not a British citizen, a British Dependent Territories citizen or a British Overseas citizen shall be exempt from income tax.
- (2) A period during which a member of a visiting force to whom subsection (1) above applies is in the United Kingdom by reason solely of his being a member of that force shall not be treated for the purposes of income tax either as a period of residence in the United Kingdom or as creating a change of his residence or domicile.
- (3) Subsection (2) above shall not affect the operation of section 278 in relation to any person for any year of assessment.
- (4) In subsections (1) and (2) above references to a visiting force shall apply to a civilian component of such a force as they apply to the force itself; and those subsections shall be construed as one with the Visiting Forces Act 1952, but so that, for the purposes of this section, references to a designated country shall be substituted in that Act for references to a country to which a provision of that Act applies.
- (5) For the purpose of conferring on persons attached to any designated allied headquarters the like benefits as are conferred by subsections (1) and (2) above on members of a visiting force or civilian component, any members of the armed forces of a designated country shall, while attached to any such headquarters, be deemed to constitute a visiting force of that country, and there shall be a corresponding extension of the class of persons who may be treated as members of a civilian component of such a visiting force.
- (6) In the case of persons of any category for the time being agreed between Her Majesty's government in the United Kingdom and the other members of the North Atlantic Council—
 - (a) employment by a designated allied headquarters shall be treated for the purposes of subsection (2) above as if it were service as a member of a visiting force of a designated country; and
 - (b) the emoluments paid by a designated allied headquarters to persons employed by such a headquarters shall be exempt from income tax.
- (7) The exemption conferred by subsection (6)(b) above shall cease to apply to British citizens, British Dependent Territories citizens and British Overseas citizens if it

becomes unnecessary that it should so apply for the purpose of giving effect to any agreement between parties to the North Atlantic Treaty.

(8) For the purposes of this section—

“allied headquarters” means any international military headquarters established under the North Atlantic Treaty, and

“designated” means designated for the purpose in question by or under any Order in Council made for giving effect to any international agreement.

324 Designated international organisations

(1) The Treasury may by order designate for the purposes of this section—

(a) any international organisation—

(i) if one of its members is the United Kingdom or any of the Communities; and

(ii) if the agreement under which that member became a member provides for exemption from tax, in relation to the organisation, of the kind for which provision is made by this section; or

(b) any of the Communities or the European Investment Bank.

(2) Where an organisation has been so designated, a person not resident in the United Kingdom shall not be liable to income tax in respect of income from any security issued by the organisation if he would not be liable but for the fact that—

(a) the security or income is issued, made payable or paid in the United Kingdom or in sterling; or

(b) the organisation maintains an office or other place of business in the United Kingdom.

325 Interest on deposits with National Savings Bank

—Where the total income of an individual for the year of assessment includes, or would but for this section include, any sums paid or credited in respect of interest on deposits with the National Savings Bank, other than investment deposits, those sums shall be disregarded for all purposes of the Income Tax Acts, other than the furnishing of information, if or in so far as they do not exceed £70; and for this purpose the question whether or how far those sums exceed £70 shall, where by virtue of section 279 a woman’s income is deemed to be her husband’s, be determined separately as regards the part of his income which is his by virtue of that section and the part which is his apart from that section.

326 Interest etc. under contractual savings schemes

(1) Any terminal bonus, or interest or other sum, payable under a certified contractual savings scheme—

(a) in respect of money raised under section 12 of the National Loans Act 1968, or

(b) in respect of shares in a building society,

shall be disregarded for all purposes of the Income Tax Acts.

(2) In this section “certified contractual savings scheme” means, except in relation to a building society, a scheme—

- (a) governed by regulations made under section 12 of the National Debt Act 1958 or section 52 of the Finance Act 1969; and
 - (b) providing for periodical contributions by individuals for a specified period, and the repayment in accordance with the regulations of contributions together with any additional sum by way of bonus or interest, and
 - (c) certified by the Treasury as qualifying for exemption under this section.
- (3) In this section “certified contractual savings scheme” means, in relation to a building society, a scheme—
- (a) providing for periodical contributions by individuals for a specified period, being contributions by way of investment in shares in the building society, and
 - (b) certified by the Treasury as corresponding to a scheme certified under subsection (2) above, and as qualifying for exemption under this section.

327 Disabled person’s vehicle maintenance grant

—A grant made under paragraph 2 of Schedule 2 to the National Health Service Act 1977 or section 46(3) of the National Health Service (Scotland) Act 1978 (cost of maintenance etc. of vehicles belonging to disabled persons) or under Article 30 of the Health and Personal Social Services (Northern Ireland) Order 1972 to any person owning a vehicle shall not be treated as income for any purpose of the Income Tax Acts.

328 Funds in court

- (1) If any common investment fund established under section 42 of the Administration of Justice Act 1982 is for the time being designated for the purposes of this subsection by an agreement between the Board and the investment manager of the fund—
- (a) subject to subsection (2) below, the investment manager shall be entitled to exemption from income tax in respect of so much of the income derived from that fund or any investment thereof as is paid by him by way of dividend on the shares into which the fund is divided; and
 - (b) dividends on those shares shall be paid without deduction of income tax and shall be chargeable under Case III of Schedule D.

A claim for exemption under paragraph (a) shall be made to the Board.

- (2) Where the income or part of the income derived in a year of assessment from the fund or its investments consists of interest on securities, the income or part (as the case may be) shall for the purposes of subsection (1)(a) above be calculated by treating it as the amount it would be apart from section 714(5), but reduced by an amount (if any) equal to the excess of A over B.
- (3) In subsection (2) above—
- A is the total amount of allowances to which, by virtue of section 714(4), the investment manager of the fund is entitled in the year of assessment in respect of all securities comprised in the fund; and
- B is the total amount of annual profits or gains which, by virtue of section 714(2), he is treated as receiving in the year of assessment in respect of those securities.
- (4) In subsections (2) and (3) above “interest” and “securities” have the same meanings as in sections 710 and 711.

- (5) Where at any time by virtue of subsection (1) above the income of any person from any source becomes chargeable to income tax as provided by that subsection, not having previously been chargeable by direct assessment on that person, section 66(3) shall apply as if the source of that income were a new source of income acquired by that person at that time.
- (6) The Accountant General and any other person authorised to invest in a fund designated for the purposes of subsection (1) above shall as respects each year of assessment furnish to the Board, at such time and in such manner as they may direct, particulars of any sums paid without deduction of tax by virtue of that subsection and of the persons to whom they were paid, except that particulars shall not be required of any case where the total of such sums paid to any person in that year did not exceed £15.
- (7) An agreement designating a fund for the purposes of subsection (1) above may provide for incidental and consequential matters, including arrangements for giving effect to subsection (1)(a) above by provisional repayments of tax deducted at source, and may be determined by the Board or the investment manager of the fund by one year's notice expiring at the end of any year of assessment.
- (8) The reference to the Accountant General is a reference to the Accountant General of the Supreme Court of England and Wales and in relation to money in the Supreme Court of Judicature of Northern Ireland, or money in a county court in Northern Ireland, and in relation to investments representing such money, includes a reference to the Accountant General of the Supreme Court of Judicature of Northern Ireland or any other person by whom such funds are held.

329 Interest on damages for personal injuries

- (1) The following interest shall not be regarded as income for any income tax purpose—
 - (a) any interest on damages in respect of personal injuries to a plaintiff or any other person, or in respect of a person's death, which is included in any sum for which judgment is given by virtue of a provision to which this paragraph applies; and
 - (b) any interest on damages or solatium in respect of personal injuries sustained by a pursuer or by any other person, decree for payment of which is included in any interlocutor by virtue of section 1 of the Interest on Damages (Scotland) Act 1958.
- (2) The provisions to which subsection (1)(a) above applies are—
 - (a) section 3 of the Law Reform (Miscellaneous Provisions) Act 1934;
 - (b) section 17 of the Law Reform (Miscellaneous Provisions) Act (Northern Ireland) 1937;
 - (c) section 35A of the Supreme Court Act 1981;
 - (d) section 69 of the County Courts Act 1984;
 - (e) section 33A of the Judicature (Northern Ireland) Act 1978; and
 - (f) Article 45A of the County Courts (Northern Ireland) Order 1980.
- (3) A payment in satisfaction of a cause of action, including a payment into court, shall not be regarded as income for any income tax purpose to the extent to which it is in respect of interest which would fall within subsection (1) above if included in a sum for which a judgment is given or if decree for payment of it were included in an interlocutor.

- (4) In this section “personal injuries” includes any disease and any impairment of a person’s physical or mental condition.

330 Compensation for National-Socialist persecution

—Annuities and pensions payable under any special provision for victims of National-Socialist persecution which is made by the law of the Federal Republic of Germany or any part of it or of Austria shall not be regarded as income for any income tax purpose.

331 Scholarship income

- (1) Income arising from a scholarship held by a person receiving full-time instruction at a university, college, school or other educational establishment shall be exempt from income tax, and no account shall be taken of any such income in computing the amount of income for income tax purposes.
- (2) In this section “scholarship” includes an exhibition, bursary or any other similar educational endowment.

332 Expenditure and houses of ministers of religion

- (1) Subsection (2) below applies where an interest in any premises belongs to a charity or any ecclesiastical corporation and (in right of that interest)—
- (a) the persons from time to time holding any full-time office as clergyman or minister of any religious denomination, or
 - (b) any particular person holding such an office,
- have or has a residence in those premises from which to perform the duties of the office.
- (2) In the case of such a clergyman or minister, for the purposes of income tax with which he may be chargeable under Schedule E, there shall be disregarded—
- (a) the making good to him, in consequence of his being the holder of his office, of statutory amounts payable in connection with the premises or statutory deductions falling to be made in connection therewith, except in so far as an amount or deduction is properly attributable to a part of the premises in respect of which he receives rent;
 - (b) the payment on his behalf, except as aforesaid, of such a statutory amount; and
 - (c) unless he is in director’s or higher-paid employment (as defined in section 167), the value to him of any expenses incurred in connection with the provision in the premises of living accommodation for him, being expenses incurred in consequence of his being the holder of his office.
- (3) In assessing the income tax chargeable (whether under Schedule E or any other Schedule) upon a clergyman or minister of any religious denomination, the following deductions may be made from any profits, fees or emoluments of his profession or vocation—
- (a) any sums of money paid or expenses incurred by him wholly, exclusively and necessarily in the performance of his duty as a clergyman or minister;
 - (b) such part of the rent (not exceeding one-quarter) as the inspector by whom the assessment is made may allow, paid by him in respect of a dwelling-house

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

any part of which is used mainly and substantially for the purposes of his duty as such clergyman or minister; and

- (c) in respect of expenses borne by him in the maintenance, repairs, insurance or management of any premises in which, in right of such an interest as is mentioned in subsection (1) above, he has such a residence as is mentioned in that subsection, such part of the expenses as, together with any deduction allowable in respect of such expenses under paragraph (a) above, is equal to one-quarter of the amount of the expenses.

On an appeal to the General Commissioners or Special Commissioners, the Commissioners shall have jurisdiction to review the inspector's decision under paragraph (b) above.

- (4) In this section “statutory amount” and “statutory deduction” mean an amount paid and a deduction made in pursuance of any provision contained in or having the force of an Act.

333 Personal equity plans

- (1) The Treasury may make regulations providing that an individual who invests under a plan shall be entitled to relief from income tax in respect of the investments.
- (2) The regulations shall set out the conditions subject to which plans are to operate and the extent to which investors are to be entitled to relief from tax.
- (3) In particular, the regulations may—
 - (a) specify the description of individuals who may invest and the kind of investments they may make;
 - (b) specify maximum investment limits and minimum periods for which investments are to be held;
 - (c) provide that investments are to be held by persons (“plan managers”) on behalf of investors;
 - (d) specify how relief from tax is to be claimed by, and granted to, investors or plan managers on their behalf;
 - (e) provide that plans and plan managers must be such as are approved by the Board;
 - (f) specify the circumstances in which approval may be granted and withdrawn.
- (4) The regulations may include provision—
 - (a) that in prescribed circumstances—
 - (i) an investor under a plan shall cease to be, and be treated as not having been, entitled to relief from tax in respect of the investments; and
 - (ii) he or the plan manager concerned (depending on the terms of the regulations) shall account to the Board for tax from which relief has already been given on the basis that the investor was so entitled;
 - (b) that an investor under a plan or the plan manager concerned (depending on the terms of the regulations) shall account to the Board for tax from which relief has been given in circumstances such that the investor was not entitled to it;
 - (c) adapting, or modifying the effect of, any enactment relating to income tax in order to—
 - (i) secure that investors under plans are entitled to relief from tax in respect of investments;

- (ii) secure that investors under plans cease to be, and are treated as not having been, so entitled;
 - (iii) secure that investors under plans or plan managers account for tax as mentioned in paragraph (a) or (b) above;
 - (d) that a person who is, or has at any time been, either an investor under a plan or a plan manager—
 - (i) shall comply with any notice which is served on him by the Board and which requires him within a prescribed period to make available for the Board’s inspection documents (of a prescribed kind) relating to a plan or to investments which are or have been held under it;
 - (ii) shall, within a prescribed period of being required to do so by the Board, furnish to the Board information (of a prescribed kind) about a plan or about investments which are or have been held under it;
 - (e) generally for the purpose of bringing plans into existence, and generally for the purpose of the administration of plans and the administration of income tax and corporation tax in relation to them.
- (5) In this section “prescribed” means prescribed by the regulations.