



Finance Act 1991

1991 CHAPTER 31

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Miscellaneous

68 Gifts to educational establishments

- (1) For section 84 of the Taxes Act 1988 (payments for technical education) there shall be substituted the following—

“84 Gifts to educational establishments

- (1) This section applies where a person carrying on a trade, profession or vocation (“the donor”) makes a gift for the purposes of a designated educational establishment of—
- (a) an article manufactured, or of a class or description sold, by the donor in the course of his trade which qualifies as machinery or plant in the hands of the educational establishment; or
 - (b) an article used by the donor in the course of his trade, profession or vocation—
 - (i) which, for the purposes of Part II of the 1990 Act (capital allowances for machinery and plant), constitutes machinery or plant used by him wholly or partly in the course of that trade, profession or vocation; and
 - (ii) in respect of which he has claimed an allowance under that Part of that Act.

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(2) For the purposes of this section, an article “qualifies as machinery or plant in the hands of an educational establishment” if, and only if, it is an article such that—

- (a) were the activities carried on by the educational establishment regarded as a trade carried on by a body of persons, and
- (b) had that body, at the time of the gift, incurred capital expenditure wholly and exclusively on the provision of an identical article for the purposes of those activities, and
- (c) had the identical article belonged to that body in consequence of the incurring of that expenditure,

the identical article would be regarded for the purposes of Part II of the 1990 Act as machinery or plant provided by the body for the purposes of that trade.

(3) Where this section applies—

- (a) if the gift is of an article falling within paragraph (a) of subsection (1) above, then, for the purposes of the Tax Acts, no amount shall be required to be brought into account as a trading receipt of the donor in consequence of his disposal of that article from trading stock; and
- (b) if the gift is of an article falling within paragraph (b) of that subsection, subsection (6) of section 24 of the 1990 Act shall not require the donor to bring into account any disposal value in respect of the article for the purposes of that section;

but this subsection shall not apply unless, within two years of making the gift, the donor makes a claim for relief under this subsection, specifying the article given and the name of the educational establishment in question.

(4) In any case where—

- (a) relief is given under subsection (3) above in respect of the gift of an article, and
- (b) any benefit received in any chargeable period by the donor or any person connected with him is in any way attributable to the making of that gift,

the donor shall in respect of that chargeable period be charged to tax under Case I or Case II of Schedule D or, if he is not chargeable to tax under either of those Cases for that period, under Case VI of Schedule D on an amount equal to the value of that benefit.

(5) In this section “designated educational establishment” means any educational establishment designated, or of a category designated,—

- (a) as respects Great Britain, in regulations made by the Secretary of State; or
- (b) as respects Northern Ireland, in regulations made by the Department of Education for Northern Ireland;

and any such regulations may make different provision for different areas.

(6) If any question arises as to whether a particular establishment falls within a category designated in regulations under subsection (5) above, the Board shall refer the question for decision—

- (a) in the case of an establishment in Great Britain, to the Secretary of State, or

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- (b) in the case of an establishment in Northern Ireland, to the Department of Education for Northern Ireland.
- (7) The power of the Secretary of State to make regulations under subsection (5) above shall be exercisable by statutory instrument; and a statutory instrument containing any such regulations shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (8) Regulations made under subsection (5) above for Northern Ireland—
 - (a) shall be a statutory rule for the purposes of the Statutory Rules (Northern Ireland) Order 1979; and
 - (b) shall be subject to negative resolution within the meaning of section 41(6) of the Interpretation Act (Northern Ireland) 1954.
- (9) Section 839 applies for the purposes of subsection (4) above.”
- (2) The amendment made by subsection (1) above shall have effect with respect to gifts made on or after 19th March 1991.

69 Expenses of entertainers

- (1) Section 201A of the Taxes Act 1988 (deduction of fees paid by entertainer to employment agency) shall be amended as follows.
- (2) In subsection (1)(a) after “subsection (2)” there shall be inserted “or (2A)”.
- (3) The following subsection shall be inserted after subsection (2)—

“(2A) Fees fall within this subsection if—

 - (a) they are paid by the employee in pursuance of an arrangement under which a bona fide co-operative society agrees, or the members of such a society agree, to act as agent of the employee in connection with the employment,
 - (b) they are calculated as a percentage of the emoluments of the employment or as a percentage of part of those emoluments, and
 - (c) they are defrayed out of the emoluments of the employment falling to be charged to tax for the year concerned.”
- (4) The following subsection shall be inserted after subsection (3)—

“(3A) Subsection (3) of section 1 of the Industrial and Provident Societies Act 1965 (co-operative society does not include profit-making society) shall apply for the purposes of subsection (2A)(a) above as it applies for the purposes of that section.”
- (5) The following subsection shall be inserted after subsection (4)—

“(4A) Subject to subsection (4) above, a deduction by virtue of this section as regards a particular employment and a particular year of assessment may be based on fees falling within subsection (2) above or fees falling within subsection (2A) above, or both.”
- (6) The amendments made by this section shall apply for the year 1990–91 and subsequent years of assessment.

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- (7) Any such adjustment (whether by way of discharge or repayment of tax, the making of an assessment or otherwise) as is appropriate in consequence of this section may be made.

70 Personal equity plans

In section 333 of the Taxes Act 1988 (personal equity plans) in subsection (3) (regulations) the following paragraphs shall be inserted after paragraph (f)—

- “(g) provide for plans to be treated as being of different kinds, according to criteria set out in the regulations;
- (h) provide that the Board may register a plan as being of a particular kind;
- (i) make different provision as to different kinds of plan;
- (j) provide for investment by an individual under more than one plan in the same year of assessment.”

71 Donations to charity

- (1) Section 339A of the Taxes Act 1988 (maximum qualifying donations in the case of companies) shall cease to have effect.
- (2) In consequence of subsection (1) above, in section 338(2) of that Act, for “to sections 339 and 339A” there shall be substituted “to section 339”.
- (3) Subsections (1) and (2) above shall apply in relation to accounting periods beginning on or after 19th March 1991.
- (4) In its application to accounting periods beginning before 19th March 1991 and ending on or after that date, section 339A of the Taxes Act 1988 shall have effect as if—
 - (a) in subsections (1) and (2), after the words “in that period”, in the first place where they occur, there were inserted “and before 19th March 1991”; and
 - (b) in subsection (3)(b), after “that section” there were inserted “in respect of payments made before 19th March 1991”.
- (5) In section 25 of the Finance Act 1990 (donations to charity by individuals) subsection (2)(h) (maximum qualifying donations) shall cease to have effect.
- (6) Subsection (5) above shall apply in relation to gifts made on or after 19th March 1991.

72 Deduction of trading losses

- (1) Where under section 380 of the Taxes Act 1988 (set-off of trading losses against general income) a person makes a claim for relief for a year of assessment in respect of an amount (“the trading loss”) which is available for relief under that section, he may in the notice by which the claim is made make a claim under this subsection for the relevant amount for the year to be determined.
- (2) The relevant amount for the year is so much of the trading loss as—
 - (a) cannot be set off against the claimant’s income for the year, and
 - (b) has not already been taken into account for the purpose of giving relief (under section 380 or this section or otherwise) for any other year.
- (3) Where the claim under subsection (1) above is finally determined, the relevant amount for the year shall be treated for the purposes of capital gains tax as an allowable loss

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- accruing to the claimant in the year; but the preceding provisions of this subsection shall not apply to so much of the relevant amount as exceeds the maximum amount.
- (4) The maximum amount is the amount on which the claimant would be chargeable to capital gains tax for the year, disregarding section 5(1) of the Capital Gains Tax Act 1979 and the effect of this section.
- (5) In ascertaining the maximum amount, no account shall be taken of any event—
- (a) occurring after the date on which the claim under subsection (1) above is finally determined, and
 - (b) in consequence of which the amount referred to in subsection (4) above is reduced by virtue of any enactment relating to capital gains tax.
- (6) An amount treated as an allowable loss by virtue of this section shall not be allowed as a deduction from chargeable gains accruing to a person in any year of assessment beginning after he has ceased to carry on the trade, profession, vocation or employment in which the relevant trading loss was sustained.
- (7) For the purposes of this section, the claim under subsection (1) above shall not be deemed to be finally determined until the relevant amount for the year can no longer be varied, whether by the Commissioners on appeal or on the order of any court.
- (8) References in sections 382(3), 383(6), (7) and (8) and 385(1) of the Taxes Act 1988 to relief under section 380 of that Act shall be construed as including references to relief under this section.
- (9) This section shall apply in relation to losses sustained in the year 1991-92 and subsequent years of assessment.

73 Relief for company trading losses

- (1) After section 393 of the Taxes Act 1988 (losses other than terminal losses) there shall be inserted—

“393A Losses: set off against profits of the same, or an earlier, accounting period

- (1) Subject to section 492(3), where in any accounting period ending on or after 1st April 1991 a company carrying on a trade incurs a loss in the trade, then, subject to subsection (3) below, the company may make a claim requiring that the loss be set off for the purposes of corporation tax against profits (of whatever description)—
- (a) of that accounting period, and
 - (b) if the company was then carrying on the trade and the claim so requires, of preceding accounting periods falling wholly or partly within the period specified in subsection (2) below;
- and, subject to that subsection and to any relief for an earlier loss, the profits of any of those accounting periods shall then be treated as reduced by the amount of the loss, or by so much of that amount as cannot be relieved under this subsection against profits of a later accounting period.
- (2) The period referred to in paragraph (b) of subsection (1) above is the period of three years immediately preceding the accounting period in which the loss is incurred; but the amount of the reduction that may be made under that

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subsection in the profits of an accounting period falling partly before the beginning of that period shall not exceed a part of those profits proportionate to the part of the accounting period falling within that period.

- (3) Subsection (1) above shall not apply to trades falling within Case V of Schedule D; and a loss incurred in a trade in any accounting period shall not be relieved under that subsection unless—
- (a) the trade is one carried on in the exercise of functions conferred by or under any enactment (including an enactment contained in a local or private Act), or
 - (b) it is shown that for that accounting period the trade was being carried on on a commercial basis and with a view to the realisation of gain in the trade or in any larger undertaking of which the trade formed part; but this subsection is without prejudice to section 397.
- (4) For the purposes of subsection (3) above—
- (a) the fact that a trade was being carried on at any time so as to afford a reasonable expectation of gain shall be conclusive evidence that it was then being carried on with a view to the realisation of gain; and
 - (b) where in an accounting period there is a change in the manner in which a trade is being carried on, it shall be treated as having throughout the accounting period been carried on in the way in which it was being carried on by the end of that period.
- (5) A claim under subsection (1) above may require that capital allowances in respect of the trade, being allowances that fall—
- (a) to be made to the company by way of discharge or repayment of tax, and
 - (b) to be so made for an accounting period ending on or after 1st April 1991,
- shall (so far as they cannot be otherwise taken into account so as to reduce or relieve any charge to corporation tax in respect of that, or any earlier, accounting period) be added to the loss incurred by the company in that accounting period or, if the company has not incurred a loss in the period, shall be treated as a loss so incurred.
- (6) For the purposes of subsection (5) above, the allowances for any period shall not be treated as including amounts carried forward from an earlier period.
- (7) Where a company ceases to carry on a trade, subsection (9) of section 393 shall apply in computing for the purposes of this section a loss in the trade in the accounting period in which the cessation occurs as it applies in computing a loss in an accounting period for the purposes of subsection (1) of that section.
- (8) Relief shall not be given by virtue of subsection (1)(b) above in respect of a loss incurred in a trade so as to interfere with any relief under section 338 in respect of payments made wholly and exclusively for the purposes of that trade.
- (9) For the purposes of this section—
- (a) the amount of a loss incurred in a trade in an accounting period shall be computed in the same way as trading income from the trade in that period would have been computed;

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- (b) “trading income” means, in relation to any trade, the income which falls or would fall to be included in respect of the trade in the total profits of the company; and
 - (c) references to a company carrying on a trade refer to the company carrying it on so as to be within the charge to corporation tax in respect of it.
- (10) A claim under subsection (1) above may only be made within the period of two years immediately following the accounting period in which the loss is incurred or within such further period as the Board may allow.
- (11) In any case where—
 - (a) by virtue of section 62B of the 1990 Act (post-cessation abandonment expenditure related to offshore machinery or plant) the qualifying expenditure of the company for the chargeable period related to the cessation of its ring fence trade is treated as increased by any amount, or
 - (b) by virtue of section 109 of that Act (restoration expenditure incurred after cessation of trade of mineral extraction) any expenditure is treated as qualifying expenditure incurred by the company on the last day on which it carried on the trade,then, in relation to any claim under subsection (1) above to the extent that it relates to an increase falling within paragraph (a) above or to expenditure falling within paragraph (b) above, subsection (10) above shall have effect with the substitution of “five years” for “two years”.
- (2) Sections 393(2) to (6) and 394 of the Taxes Act 1988 (which are superseded by this section) shall cease to have effect.
- (3) Schedule 15 to this Act shall have effect.
- (4) This section shall have effect only in relation to losses incurred in accounting periods ending on or after 1st April 1991.
- (5) Any enactment amended by this section or that Schedule shall, in its application in relation to losses so incurred, be deemed to have had effect at all times with that amendment; and where any such enactment is the re-enactment of a repealed enactment, the repealed enactment shall, in its application in relation to losses so incurred, be deemed to have had effect at all times with a corresponding amendment.

74 Trade unions and employers' associations

- (1) Section 467 of the Taxes Act 1988 (trade unions and employers' associations) shall be amended as follows.
- (2) In subsection (1) (exemption for certain income and gains of a trade union precluded by Act or rules from assuring to any person a sum exceeding £3,000 by way of gross sum or £625 by way of annuity)—
 - (a) for “£3,000” there shall be substituted “£4,000”, and
 - (b) for “£625” there shall be substituted “£825”.
- (3) In subsection (3) (matters to be disregarded in applying subsection (1)) for “£625” there shall be substituted “£825”.

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(4) After subsection (3) there shall be inserted—

“(3A) The Treasury may by order substitute for any figure for the time being specified in this section such greater figure as may be specified in the order; and any amendment made in exercise of the power conferred by this subsection shall have effect in relation to such income or gains as may be specified in the order.”

(5) In subsection (4) (definition of “trade union”)—

(a) in paragraphs (a) and (b), for “Registrar of Friendly Societies” there shall be substituted “Certification Officer”; and

(b) for “and” at the end of paragraph (b) there shall be substituted—

“(ba) any trade union within the meaning of the Trade Union Act 1871 registered in Northern Ireland under section 6 of that Act; and”.

(6) Subsections (2) and (3) above shall have effect in relation to income or gains which are applicable and applied as mentioned in section 467 of the Taxes Act 1988 on or after 1st April 1991.

(7) Subsection (5) above shall be deemed always to have had effect.

75 **Audit powers in relation to non-residents**

The following section shall be inserted after section 482 of the Taxes Act 1988—

“482A Audit powers in relation to non-residents

(1) The Board may make regulations with respect to the exclusion, in relation to investments of persons who are not ordinarily resident in the United Kingdom, of powers conferred by regulations made by virtue of section 477A(2)(a) or 482(11)(aa) (“audit powers”).

(2) Regulations under subsection (1) above may in particular—

(a) make provision for the exclusion of audit powers in the case of any building society or deposit-taker to be dependent on whether the society or deposit-taker is approved by the Board for the purposes of the regulations and on the scope of that approval;

(b) make provision with respect to the approval of building societies and deposit-takers by the Board for the purposes of the regulations;

(c) make provision with respect to, and with respect to alteration of, the scope of approval by the Board for the purposes of the regulations;

(d) make provision with respect to the termination of approval by the Board for the purposes of the regulations; and

(e) make provision with respect to appeals against decisions of the Board with respect to approval for the purposes of the regulations, including decisions with respect to the scope of such approval.

(3) Regulations under subsection (1) 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.

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(4) In this section “deposit-taker” has the meaning given by section 481(2).”

76 Capital element in annuities

(1) Section 656 of the Taxes Act 1988 (purchased life annuities other than retirement annuities) shall have effect, and be deemed always to have had effect, with the addition of the following subsections—

“(7) In using the prescribed tables of mortality to determine—

- (a) the expected term of an annuity for the purposes of subsection (2)(a) above, or
- (b) the actuarial value of any annuity payments for the purposes of subsection (4)(c) above,

the age, as at the date when the first of the annuity payments begins to accrue, of a person during whose life the annuity is payable shall be taken to be the number of years of his age at his last birthday preceding that date.

(8) In any case where it is not possible to determine the expected term of an annuity for the purposes of subsection (2)(a) above by reference to the prescribed tables of mortality, that term shall for those purposes be such period as may be certified by the Government Actuary or the Deputy Government Actuary.

(9) In any case where it is not possible to determine the actuarial value of any annuity payments for the purposes of subsection (4)(c) above by reference to the prescribed tables of mortality, that value shall for those purposes be such amount as may be certified by the Government Actuary or the Deputy Government Actuary.”

(2) Section 230 of the Income and Corporation Taxes Act 1970 (from which section 656 of the Taxes Act 1988 is derived) shall be deemed always to have had effect as if the subsections (7) to (9) set out in subsection (1) above had been contained in that section as subsections (8) to (10) respectively, but with the substitution for “(2)(a)” and “(4)(c)”, in each place where they occur, of “(2A)(a)” and “(3)(c)” respectively.

(3) Section 27 of the Finance Act 1956 (from which section 230 of the Income and Corporation Taxes Act 1970 was derived) shall be deemed always to have had effect as if the subsections (7) and (9) set out in subsection (1) above had been contained in that section as subsections (8A) and (8B) respectively, but with the omission in subsection (7) of paragraph (a) and with the substitution of “(3)(c)” for “(4)(c)” in both places where it occurs.

77 Definition of “normal commercial loan”

(1) In paragraph 1 of Schedule 18 to the Taxes Act 1988 (under which a person who is a loan creditor of a company in respect of a non-commercial loan is an equity holder of the company) after sub-paragraph (5D) there shall be inserted—

“(5E) For the purposes of sub-paragraph (5)(b) above, the amount to which the loan creditor is entitled by way of interest—

- (a) shall not be treated as depending to any extent on the results of the company’s business or any part of it by reason only of the fact that the terms of the loan provide for the rate of interest to be reduced

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in the event of the results of the company's business or any part of it improving, and

- (b) shall not be treated as depending to any extent on the value of any of the company's assets by reason only of the fact that the terms of the loan provide for the rate of interest to be reduced in the event of the value of any of the company's assets increasing.

(5F) Sub-paragraph (5H) below applies where—

- (a) a person makes a loan to a company on the basis mentioned in sub-paragraph (5G) below for the purpose of facilitating the acquisition of land, and
- (b) none of the land which the loan is used to acquire is acquired with a view to resale at a profit.

(5G) The basis referred to above is that—

- (a) the whole of the loan is to be applied in the acquisition of land by the company or in meeting the incidental costs of obtaining the loan,
- (b) the payment of any amount due in connection with the loan to the person making it is to be secured on the land which the loan is to be used to acquire, and
- (c) no other security is to be required for the payment of any such amount.

(5H) For the purposes of sub-paragraph (5)(b) above, the amount to which the loan creditor is entitled by way of interest shall not be treated as depending to any extent on the value of any of the company's assets by reason only of the fact that the terms of the loan are such that the only way the loan creditor can enforce payment of an amount due is by exercising rights granted by way of security over the land which the loan is used to acquire.

(5I) In sub-paragraph (5G)(a) above the reference to the incidental costs of obtaining the loan is to any expenditure on fees, commissions, advertising, printing or other incidental matters wholly and exclusively incurred for the purpose of obtaining the loan or of providing security for it.”

(2) In relation to the application of paragraph 1(5) of that Schedule (definition of “normal commercial loan”) for the purposes of section 64(2) of the Finance Act 1984 (definition of “corporate bond”), this section shall have effect—

- (a) so far as concerns the application of section 64(2) for the purposes of section 136A of the Capital Gains Tax Act 1979, in relation to claims on or after 1st April 1991, and
- (b) so far as concerns any other application of section 64(2), in relation to disposals on or after that date (and, in relation to such disposals, shall be regarded as always having had effect).

(3) Except as provided by subsection (2) above, this section shall be deemed to have come into force on 1st April 1991.

78 Sharing of transmission facilities

(1) This section applies to any agreement relating to the sharing of transmission facilities—

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- (a) to which the parties are national broadcasting companies,
 - (b) which is entered into on or after the day on which this Act is passed and before 1st January 1992 or such later date as may be specified for the purposes of this paragraph by the Secretary of State, and
 - (c) in relation to which the Secretary of State has certified that it is expedient that this section should apply.
- (2) Where under an agreement to which this section applies one party to the agreement disposes of an asset to another party to the agreement, both parties shall be treated for the purposes of corporation tax on chargeable gains as if the asset acquired by the party to whom the disposal is made were acquired for a consideration of such amount as would secure that on the other's disposal neither a gain nor a loss would accrue to that other.
- (3) Where under an agreement to which this section applies one party to the agreement disposes of an asset to another party to the agreement and the asset is one which the party making the disposal acquired on a part disposal by the party to whom the disposal under the agreement is made, then in applying subsection (2) above—
 - (a) section 35 of the Capital Gains Tax Act 1979 shall be deemed to have had effect in relation to the part disposal with the omission of subsection (4),
 - (b) the amount or value of the consideration for the part disposal shall be taken to have been nil, and
 - (c) if the disposal under the agreement is one to which section 96(2) of the Finance Act 1988 applies, the market value of the asset on 31st March 1982 shall be taken to have been nil.
- (4) Where under an agreement to which this section applies one party to the agreement disposes of machinery or plant to another party to the agreement, the Capital Allowances Act 1990 shall apply—
 - (a) in the case of the party making the disposal, as if the disposal value of the machinery or plant for the purposes of section 24 of that Act were equal to the capital expenditure incurred by that party on its provision, and
 - (b) in the case of the party to whom the disposal is made, as if the amount expended by that party in acquiring the machinery or plant were equal to the capital expenditure so incurred.
- (5) In subsection (4) above, references to machinery or plant include a share in machinery or plant.
- (6) In section 68 of the Finance Act 1985 (modification of indexation allowance) in subsection (7A) (list of no gain/no loss provisions) the word “and” at the end of paragraph (f) shall be omitted and after paragraph (g) there shall be inserted—
 - “(h) section 78(2) of the Finance Act 1991.”
- (7) In Schedule 8 to the Finance Act 1988 (rebasings to 1982) in paragraph 1(3) (list of no gain/no loss provisions) the word “and” at the end of paragraph (g) shall be omitted and after paragraph (h) there shall be inserted “and
 - (i) section 78(2) of the Finance Act 1991.”
- (8) In this section, “national broadcasting company” means a body corporate engaged in the broadcasting for general reception by means of wireless telegraphy of radio or television services or both on a national basis.

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79 Abolition of CRT: consequential amendment

- (1) In Schedule 12 to the Finance Act 1988 (building societies: change of status) in paragraph 6(1)(b) for “section 476” there shall be substituted “section 477A”.
- (2) This section shall apply where qualifying benefits are conferred on or after 6th April 1991.

80 Interest on certain debentures

Paragraph 8(2) of Schedule 11 to the Electricity Act 1989 (treatment of certain debentures for the purposes of the Corporation Tax Acts) shall have effect, and be deemed always to have had effect, with the addition after paragraph (b) of the words—

“and if any such debenture includes provision for the payment of a sum expressed as interest in respect of a period which falls wholly or partly before the issue of the debenture, any payment made in pursuance of that provision in respect of that period shall be treated for the purposes of the Corporation Tax Acts as if the debenture had been issued at the commencement of that period and, accordingly, as interest on the principal sum payable under the debenture.”

81 Agents acting for non-residents

- (1) Section 78 of the Taxes Management Act 1970 (method of charging non-residents) shall be amended as mentioned in subsections (2) to (4) below.
- (2) In subsection (3) (meaning of investment transactions) the following paragraph shall be substituted for paragraph (a)—
 - “(a) transactions in shares, stock, futures contracts, options contracts or securities of any description not mentioned in this paragraph, but excluding futures contracts or options contracts relating to land,”.
- (3) The following subsection shall be inserted after subsection (3)—

“(3A) For the purposes of subsection (3) 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.”
- (4) Subsection (4) (provision about investment transactions does not apply to profits or gains which constitute income of an offshore fund) shall be omitted.
- (5) This section shall apply—
 - (a) for the year 1991-92 and subsequent years of assessment, in the case of profits or gains chargeable to income tax, and
 - (b) for accounting periods ending on or after 1st April 1991, in the case of profits or gains chargeable to corporation tax.

82 Certificates of non-liability to tax

- (1) In the Taxes Management Act 1970, the following section shall be inserted after section 99—

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“99A Certificates of non-liability to income tax

If a person who gives a certificate of non-liability to income tax in pursuance of regulations under section 477A of the principal Act (building societies) or section 480B of that Act (deposit-takers)—

- (a) gives the certificate fraudulently or negligently, or
- (b) fails to comply with any undertaking contained in the certificate in pursuance of the regulations,

he shall be liable to a penalty not exceeding £3,000.”

- (2) So far as relating to the giving of a certificate, this section shall apply in relation to certificates given on or after the day on which this Act is passed.
- (3) So far as relating to failure to comply with an undertaking contained in a certificate, this section shall apply in relation to certificates whenever given, but not so as to impose liability for a failure occurring before the day on which this Act is passed.