



Finance Act 1994

1994 CHAPTER 9

An Act to grant certain duties, to alter other duties, and to amend the law relating to the National Debt and the Public Revenue, and to make further provision in connection with Finance. [3rd May 1994]

Most Gracious Sovereign,

WE, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom in Parliament assembled, towards raising the necessary supplies to defray Your Majesty's public expenses, and making an addition to the public revenue, have freely and voluntarily resolved to give and grant unto Your Majesty the several duties hereinafter mentioned; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Modifications etc. (not altering text)

C1 Act restricted (1.5.1995) by [1995 c. 4, s. 86\(11\)\(14\)](#) (with [Sch. 8 paras. 55\(2\), 57\(1\)](#))

PART I

CUSTOMS AND EXCISE

Modifications etc. (not altering text)

- C2 Pt. 1 applied (with modifications) (17.12.2020 for specified purposes, 31.12.2020 in so far as not already in force) by [2018 c. 22, Sch. 7 para. 158\(5\)](#) (as inserted by [Taxation \(Post-transition Period\) Act 2020 \(c. 26\), s. 11\(1\)\(e\), Sch. 1 para. 10\(6\)](#) (with [Sch. 2 para. 7\(7\)-\(9\)](#)); S.I. 2020/1642, [reg. 9](#))
- C3 Pt. 1 applied (with modifications) (31.12.2020) by [The Customs Miscellaneous Non-fiscal Provisions and Amendments etc. \(EU Exit\) Regulations 2020 \(S.I. 2020/1624\), regs. 1\(2\), 7](#)
- C4 Pt. 1 continued (31.12.2020) by [The Customs \(Transitional\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1449\), regs. 1\(2\), 3\(1\)\(b\)](#); S.I. 2020/1643, [reg. 2, Sch.](#)

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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 I

GENERAL

Rates of duty

1 Wine, made-wine and cider.

- (1) For the Table of rates of duty in Schedule 1 to the ^{M1}Alcoholic Liquor Duties Act 1979 (wine and made-wine) there shall be substituted the Table in Schedule 1 to this Act.
- (2) In section 62(1) of that Act (cider) for “£22.39” there shall be substituted “ £22.82 ”.
- (3) This section shall be deemed to have come into force on 1st January 1994.

Marginal Citations

M1 1979 c. 4.

2 Tobacco products.

- (1) For the Table in Schedule 1 to the ^{M2}Tobacco Products Duty Act 1979 there shall be substituted—

“ TABLE

| | |
|--|--|
| 1. Cigarettes | An amount equal to 20 per cent. of the retail price plus £52.33 per thousand cigarettes. |
| 2. Cigars | £77.58 per kilogram. |
| 3. Hand-rolling tobacco | £81.86 per kilogram. |
| 4. Other smoking tobacco and chewing tobacco | £34.26 per kilogram.” |

- (2) This section shall be deemed to have come into force at 6 o’clock in the evening of 30th November 1993.

Marginal Citations

M2 1979 c. 7.

3 Hydrocarbon oil.

- (1) In section 6(1) of the ^{M3}Hydrocarbon Oil Duties Act 1979 for “£0.3058” (duty on light oil) and “£0.2514” (duty on heavy oil) there shall be substituted “ £0.3314 ” and “ £0.2770 ” respectively.
- (2) In section 11(1) of that Act (rebate on heavy oil) for “£0.0105” (fuel oil) and “£0.0149” (gas oil) there shall be substituted “ £0.0116 ” and “ £0.0164 ” respectively.

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- (3) In section 14(1) of that Act (rebate on light oil for use as furnace fuel) for “£0.0105” there shall be substituted “ £0.0116 ”.
- (4) This section shall be deemed to have come into force at 6 o’clock in the evening of 30th November 1993.

Marginal Citations

M3 1979 c. 5.

F1 4

Textual Amendments

F1 S. 4 repealed (1.9.1994) by 1994 c. 22, s. 65, **Sch. 5 Pt. I** (with s. 57(4))

Other provisions

5 Vehicles excise duty: miscellaneous provisions.

Schedule 2 to this Act (which contains miscellaneous provisions relating to vehicles excise duty) shall have effect.

6 Gaming machine licence duty.

Schedule 3 to this Act (which makes amendments to the ^{M4}Betting and Gaming Duties Act 1981 about gaming machine licence duty) shall have effect.

Marginal Citations

M4 1981 c. 63.

CHAPTER II

APPEALS AND PENALTIES

Modifications etc. (not altering text)

- C5** Pt. 1 Chapter 2 (ss. 7-19) applied (17.3.2000) by S.I. 2000/426, **art. 5**
- C6** Pt. 1 Ch. 2 applied (24.11.2003) by The Channel Tunnel (Alcoholic Liquor and Tobacco Products) Order 2003 (S.I. 2003/2758), arts. 1, **4(a)**
- C7** Pt. 1 Ch. 2 applied (1.4.2010) by The Channel Tunnel (Alcoholic Liquor and Tobacco Products) Order 2010 (S.I. 2010/594), arts. 1, **4(a)**
- C8** Pt. 1 Ch. 2 modified (29.10.2020 for specified purposes, 31.12.2020 in so far as not already in force) by S.I. 2018/1248, **reg. 29B(8)(a)** (as inserted by The Customs (Transitional Arrangements) (EU Exit) Regulations 2020 (S.I. 2020/1088), regs. 1(2)(4), **3(5)**; S.I. 2020/1643, reg. 2, **Sch.**)

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- C9

Pt. 1 Ch. 2 modified (31.12.2020) by [The Customs \(Managed Transition Procedure\) \(EU Exit\) Regulations 2019 \(S.I. 2019/487\)](#), regs. 1(2)(3), **8(7)(a)** (with reg. 11); S.I. 2020/1643, reg. 2, Sch.
- C10

Pt. 1 Ch. 2 modified (31.12.2020) by [The Customs \(Managed Transition Procedure\) \(EU Exit\) Regulations 2019 \(S.I. 2019/487\)](#), regs. 1(2)(3), **3(7)(a)** (with reg. 7); S.I. 2020/1643, reg. 2, Sch.
- C11

Pt. 1 Ch. 2 applied (with modifications) (8.11.2021) by S.I. 2010/593, **Pt. 14A reg. 85F** (as inserted by [The Free Zones \(Customs, Excise and Value Added Tax\) Regulations 2021 \(S.I. 2021/1156\)](#), regs. 1, **7(2)**)

^{F2}The meaning of tribunal

Textual Amendments

F2

S. 7 and crossheading 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. 197(2)**

7 Meaning of tribunal

In the following provisions of this Chapter references to an appeal tribunal are references to the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal.]

Commencement Information

II

S. 7 wholly in force at 31.8.1994; s. 7 not in force at Royal Assent see s. 19(1); s. 7 (except s. 7(1)(b)) in force at 1.7.1994 by [S.I. 1994/1690](#), **art. 2**; s. 7(1)(b) in force at 31.8.1994 by [S.I. 1994/2143](#), **art. 2**

Civil penalties

^{F3}8 Penalty for evasion of excise duty.

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Textual Amendments

F3

S. 8 omitted (1.4.2009) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 122(2), **Sch. 40 para. 21(d)(i)**; [S.I. 2009/571](#), **art. 2** (with **art. 6**)

Modifications etc. (not altering text)

C12

S. 8: savings for effects of 2008 c. 40, Sch. 40 para. 21 (5.3.2009) by [The Finance Act 2008, Schedule 41 \(Appointed Day and Transitional Provisions\) Order 2009 \(S.I. 2009/511\)](#), **art. 4(b)(i)**

Commencement Information

I2

S. 8 wholly in force at 1.1.1995; s. 8 not in force at Royal Assent see s. 19(1); s. 8 in force for certain purposes at 1.11.1994 by [S.I. 1994/2679](#), **art. 2**, **Sch.**; s. 8 in force at 1.1.1995 insofar as not already in force by [S.I. 1994/2679](#), **art. 3**

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9 Penalties for contraventions of statutory requirements.

- (1) This section applies, subject to section 10 below, to any conduct in relation to which any enactment (including an enactment contained in this Act or in any Act passed after this Act) provides for the conduct to attract a penalty under this section.
- (2) Any person to whose conduct this section applies shall be liable—
 - (a) in the case of conduct in relation to which provision is made by subsection (4) below [^{F4}, or by or under any other enactment,] for the penalty attracted to be calculated by reference to an amount of, or an amount payable on account of, any duty of excise, to a penalty of whichever is the greater of 5 per cent. of that amount and £250; and
 - (b) in any other case, to a penalty of £250.
- (3) Subject to section 13(3) and (4) below, in the case of any conduct to which this section applies which is conduct in relation to which provision is made by subsection (4) or (5) below or any other enactment for that conduct to attract daily penalties, the person whose conduct it is—
 - (a) shall be liable, in addition to an initial penalty under subsection (2) above, to a penalty of £20 for every day, after the first, on which the conduct continues, but
 - (b) shall not, in respect of the continuation of that conduct, be liable to further penalties under subsection (2) above.
- (4) Where any conduct to which this section applies consists in a failure, in contravention of any subordinate legislation, to pay any amount of any duty of excise or an amount payable on account of any such duty, then, in so far as that would not otherwise be the case—
 - (a) the penalty attracted to that contravention shall be calculated by reference to the amount unpaid; and
 - (b) the contravention shall also attract daily penalties.
- (5) Where—
 - (a) a contravention of any provision made by or under any enactment consists in or involves a failure, before such time as may be specified in or determined in accordance with that provision, to send a return to the Commissioners showing the amount which any person is or may become required to pay by way of, or on account of, any duty of excise, and
 - (b) that contravention attracts a penalty under this section,that contravention shall also attract daily penalties.
- (6) Where, by reason of any conduct to which this section applies, a person is convicted of an offence, that conduct shall not also give rise to liability to a penalty under this section.
- (7) If it appears to the Treasury that there has been a change in the value of money since the passing of this Act or, as the case may be, the last occasion when the power conferred by this subsection was exercised, they may by order substitute for any sum for the time being specified in subsection (2) or (3) above such other sum as appears to them to be justified by the change.
- (8) The power to make an order under subsection (7) above—
 - (a) shall be exercisable by statutory instrument subject to annulment in pursuance of a resolution of the House of Commons; but

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- (b) shall not be exercisable so as to vary the penalty for any conduct occurring before the coming into force of the order.
- (9) Schedule 4 to this Act (which provides for the conduct to which this section applies, repeals the summary offences superseded by this section and makes related provision with respect to forfeiture) shall have effect.

Textual Amendments

F4 Words in s. 9(2)(a) substituted (28.7.2000) by 2000 c. 17, s. 28

Modifications etc. (not altering text)

- C13** S. 9 applied (1.1.1995) by 1979 c. 2, ss. 92(6)(8), 93(6), 100J, 101(4), 107(2)(3), 108(4), 111(1), 114(2), 115(4), 116(3), 118G, 170A(1)(2) (all as amended (1.1.1995) by 1994 c. 9, s. 9, Sch. 4 paras. 2(1)(2), 3, 4, 5(b), 6(1)(2), 7, 8(1), 9, 10(1)(b), 11, 12, 13(1)(2)); S.I. 1994/2679, art. 3
- S. 9 applied (1.1.1995) by 1979 c. 4, ss. 8(2), 10(2), 13(3)(5), 15(4)(5)(7), 16(2)(3), 18(6), 19(2), 20(1)(2), 21(3), 22(9), 24(4), 33(1)(5), 34(2), 35(3), 41A(8), 44(2), 46(2), 47(4)(5), 49(3), 54(5), 55(6), 55A(3), 56(2), 59(2), 61(2), 62(4)(6), 64(2), 67(2), 69(3)(4), 71(1)(3), 75(5), 77(3)(4), 78(4), 82(2) (all as amended (1.1.1995) by 1994 c. 9, s. 9, Sch. 4 paras. 15, 16, 17(1)(a)(3), 18(1)(2)(3), 19(1)(2), 20, 21(1), 22, 23(1), 24, 25, 26(1)(2), 27, 28, 29, 30, 31, 32(1)(2), 33, 34, 35, 36(b), 37, 38, 39, 40(1)(2), 41, 42, 43(1)(2), 44(1)(2), 45(b), 46(1)(2), 47, 48); S.I. 1994/2679, art. 3
- S. 9 applied (1.1.1995) by 1979 c. 5, ss. 10(3)(4), 13(1)(2), 14(4)(5), 18(5), 20AA(4)(a), 21(3), 22(1), 23(1), 24(4) (all as amended (1.1.1995) by 1994 c. 9, s. 9, Sch. 4 paras. 50(1)(b)(2)(c), 51(1)(b)(2)(c), 52(1)(b)(2)(c), 53, 54, 55(b), 56(1)(b), 57(1)(b), 58(b)); S.I. 1994/2679, art. 3
- S. 9 applied (1.1.1995) by 1979 c. 7, s. 7(2) (as amended (1.1.1995) by 1994 c. 9, s. 9, Sch. 4 para. 59); S.I. 1994/2679, art. 3
- S. 9 applied (1.1.1995) by 1981 c. 63, s. 24(5), Sch. 1 paras. 13(1), 14(3), Sch. 2 para. 7(1), Sch. 3 para. 16(3)(b), Sch. 4 para. 16(1) (all as amended (1.1.1995) by 1994 c. 9, s. 9, Sch. 4 paras. 61(a), 62(1)(2)(b), 63(1), 64(1), 65(1)); S.I. 1994/2679, art. 3
- S. 9 applied (1.1.1995) by 1993 c. 34, ss. 27(4), 28(3), 29(8) (all as amended (1.1.1995) by 1994 c. 9, s. 9, Sch. 4 paras. 67(b), 68(b)); S.I. 1994/2679, art. 3
- S. 9 applied (19.3.1997) by 1997 c. 16, ss. 12(5)(a), 13(1), 15, 50(1), Sch. 1 paras. 5(3), 7, 10(3), Sch. 5 para. 4(1)
- S. 9 applied (28.7.2000) by 1979 c. 7, s. 8J(2) (as inserted (28.7.2000) by 2000 c. 17, s. 14)
- C14** S. 9 applied (29.4.1996 with effect as mentioned in 1996 c. 8, s. 6(5)) by 1979 c. 5, s. 20AAB(8) (as inserted by 1996 c. 8, s. 6(3)(5)); S.I. 1996/2751, art. 2
- S. 9 applied (24.9.1996 with effect as mentioned in 1996 c. 8, s. 5(6)) by 1979 c. 5, s. 13AB(1)(b)(2)(b)(5) (as inserted by 1996 c. 8, s. 5(4)(6)); S.I. 1996/2314, art. 2
- C15** S. 9 extended (with application as mentioned in 2002 c. 23, s. 5(8)(b)) by Hydrocarbon Oil Duties Act 1979 (c. 5), s. 22(1AA) (as inserted by Finance Act 2002 (c. 23), Sch. 2 para. 5(7))
- C16** S. 9 applied (1.8.2002) by S.I. 2002/1773, reg. 15(2)
- C17** S. 9 applied by 1979 c. 4, Sch. 2A para. 9(6) (as inserted (22.7.2004) by Finance Act 2004 (c. 12), Sch. 1)
- C18** S. 9 applied by 1979 c. 4, Sch. 2A para. 10(1)(a) (as inserted (22.7.2004) by Finance Act 2004 (c. 12), Sch. 1)
- C19** S. 9 applied (with modifications) by 1979 c. 7, s. 6B(2)(3) (as inserted (26.3.2015) by Finance Act 2015 (c. 11), s. 56)
- C20** S. 9 applied by 1979 c. 2, s. 60B(2)(4) (as inserted (1.4.2015) by Finance Act 2014 (c. 26), Sch. 21 paras. 6, 10; S.I. 2015/812, art. 2)
- C21** S. 9 applied by 1979 c. 4, s. 55ZA(2) (as inserted (with effect in accordance with s. 81(2) of the amending Act) by Finance Act 2020 (c. 14), s. 81(1))
- C22** S. 9 modified (with effect in accordance with s. 130(2) of the amending Act) by 1979 c. 2, Sch. 3 para. 18(6)(7) (as inserted by Finance Act 2021 (c. 26), s. 130(1))

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C23 S. 9(2)(b) applied (1.8.2018) by [The Tobacco Products Manufacturing Machinery \(Licensing Scheme\) Regulations 2018 \(S.I. 2018/75\)](#), regs. 1(3), [11](#)

Commencement Information

I3 S. 9 wholly in force at 1.1.1995; s. 9 not in force at Royal Assent see s. 19(1); s. 9(1)–(8) in force for certain purposes at 1.11.1994 by [S.I. 1994/2679](#), [art. 2](#), [Sch.](#); s. 9 in force at 1.1.1995 insofar as not already in force by [S.I. 1994/2679](#), [art. 3](#)

10 Exceptions to liability under section 9.

- (1) Subject to subsection (2) below and to any express provision to the contrary made in relation to any conduct to which section 9 above applies, such conduct shall not give rise to any liability to a penalty under that section if the person whose conduct it is satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the conduct.
- (2) Where it appears to the Commissioners or, on appeal, an appeal tribunal that there is no reasonable excuse for a continuation of conduct for which there was at first a reasonable excuse, liability for a penalty under section 9 above shall be determined as if the conduct began at the time when there ceased to be a reasonable excuse for its continuation.
- (3) For the purposes of this section—
 - (a) an insufficiency of funds available for paying any duty or penalty due shall not be a reasonable excuse; and
 - (b) where reliance is placed by any person on another to perform any task, then neither the fact of that reliance nor the fact that any conduct to which section 9 above applies was attributable to the conduct of that other person shall be a reasonable excuse.

Modifications etc. (not altering text)

C24 S. 10 excluded (1.1.1995) by [1979 c. 2](#), [ss. 114\(2\)](#), [170A\(2\)](#) (both as amended (1.1.1995) by [1994 c. 9](#), [s. 9](#), [Sch. 4 paras. 9](#), [13\(2\)](#) (with [s. 19\(3\)](#)); [S.I. 1994/2679](#), [art. 3](#)
S. 10 excluded (1.1.1995) by [1979 c. 5](#), [ss. 22\(1A\)](#), [23\(1A\)](#) (both as amended (1.1.1995) by [1994 c. 9](#), [s. 9](#), [Sch. 4 paras. 56\(2\)](#), [57\(2\)](#) (with [s. 19\(3\)](#)); [S.I. 1994/2679](#), [art. 3](#)

Commencement Information

I4 S. 10 wholly in force at 1.1.1995; s. 10 not in force at Royal Assent see s. 19(1); s. 10 in force for certain purposes at 1.11.1994 by [S.I. 1994/2679](#), [art. 2](#), [Sch.](#); s. 10 in force at 1.1.1995 insofar as not already in force by [S.I. 1994/2679](#), [art. 3](#)

^{F6}^{F5}10A Breaches of controlled goods agreements

Textual Amendments

F5 S. 10A inserted (6.4.2014) by [Tribunals, Courts and Enforcement Act 2007 \(c. 15\)](#), [s. 148](#), [Sch. 13 para. 114](#) (with [s. 89](#)); [S.I. 2014/768](#), [art. 2\(1\)\(b\)](#)

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F6 S. 10A omitted (6.4.2014) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 129(4), [Sch. 43 para. 3\(2\)](#); [S.I. 2014/906](#), art. 2

11 Breaches of walking possession agreements.

(1) This section applies where—

- (a) [^{F7}in accordance with regulations under section 51 of the Finance Act 1997 (enforcement by distress)], a person (“the person levying the distress”) is empowered or authorised to distrain any property of another person (“the person in default”) [^{F8}who has refused or neglected to pay any amount of relevant duty or any amount recoverable as if it were an amount of relevant duty due from him]; and
- (b) the person levying the distress and the person in default have entered into a walking possession agreement.

(2) In this section a “walking possession agreement” means an agreement under which, in consideration of the property distrained upon being allowed to remain in the custody of the person in default and of the delaying of its sale, the person in default—

- (a) acknowledges that the property specified in the agreement is under distraint and held in walking possession; and
- (b) undertakes that, except with the consent of the Commissioners and subject to such conditions as they may impose, he will not remove or allow the removal of any of the specified property from the premises named in the agreement.

(3) Subject to subsection (4) below, if the person in default is in breach of the undertaking contained in a walking possession agreement, he shall be liable to a penalty equal to one-half of the unpaid duty or penalty which gives rise to the distraint.

(4) The person in default shall not be liable to a penalty under subsection (3) above if he satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the breach in question.

[^{F9}(5) This section extends only to Northern Ireland.]

Textual Amendments

- F7** Words in s. 11(1)(a) substituted (1.7.1997) by [1997 c. 16, s. 53\(2\)\(a\)\(9\)](#); [S.I. 1997/1432, art. 2](#)
- F8** Words in s. 11(1)(a) inserted (1.7.1997) by [1997 c. 16, s. 53\(2\)\(b\)\(9\)](#); [S.I. 1997/1432, art. 2](#)
- F9** S. 11(5) substituted (6.4.2014) by [Tribunals, Courts and Enforcement Act 2007 \(c. 15\)](#), s. 148, [Sch. 13 para. 115](#) (with s. 89); [S.I. 2014/768, art. 2\(1\)\(b\)](#)

Commencement Information

- I5** S. 11 wholly in force at 1.1.1995; s. 11 not in force at Royal Assent see s. 19(1); s. 11 in force for certain purposes at 1.11.1994 by [S.I. 1994/2679, art. 2, Sch.](#); s. 11 in force at 1.1.1995 insofar as not already in force by [S.I. 1994/2679, art. 3](#)

Assessments to excise duty or to penalties

12 Assessments to excise duty.

(1) Subject to subsection (4) below, where it appears to the Commissioners—

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- (a) that any person is a person from whom any amount has become due in respect of any duty of excise; and
 - (b) that there has been a default falling within subsection (2) below,
- the Commissioners may assess the amount of duty due from that person to the best of their judgement and notify that amount to that person or his representative.

[^{F10}(1A) Subject to subsection (4) below, where it appears to the Commissioners—

- (a) that any person is a person from whom any amount has become due in respect of any duty of excise; and
 - (b) that the amount due can be ascertained by the Commissioners,
- the Commissioners may assess the amount of duty due from that person and notify that amount to that person or his representative.]

(2) The defaults falling within this subsection are—

- (a) any failure by any person to make, keep, preserve or produce as required or directed by or under any enactment any returns, accounts, books, records or other documents;
 - (b) any omission from or inaccuracy in any returns, accounts, books, records or other documents which any person is required or directed by or under any enactment to make, keep, preserve or produce;
 - (c) any failure by any person to take or permit to be taken any step which he is required under Schedule ^{F11}... 3 to the ^{M5}Betting and Gaming Duties Act 1981 [^{F12}or Schedule 1 to the Finance Act 1997][^{F13}or Part 1 of Schedule 24 to the Finance Act 2012 [^{F14}or Part 3 of the Finance Act 2014]] to take or to permit to be taken;
- [^{F15}(ca) any failure by any person to comply with a requirement to which he is made subject by or under [^{F16}Schedule 12 to the Finance (No. 2) Act 2023] (duty stamps);]
- (d) any unreasonable delay in performing any obligation the failure to perform which would be a default falling within this subsection.

^{F17}(2A)

- (3) Where an amount has been assessed as due from any person and notified in accordance with this section, it shall, subject to any appeal under section 16 below, be deemed to be an amount of the duty in question due from that person and may be recovered accordingly, unless, or except to the extent that, the assessment has subsequently been withdrawn or reduced.
- (4) An assessment of the amount of any duty of excise due from any person shall not be made under this section at any time after whichever is the earlier of the following times, that is to say—
 - (a) subject to subsection (5) below, the end of the period of [^{F18}4 years] beginning with the time when his liability to the duty arose; and
 - (b) the end of the period of one year beginning with the day on which evidence of facts, sufficient in the opinion of the Commissioners to justify the making of the assessment, comes to their knowledge;but this subsection shall be without prejudice, where further evidence comes to the knowledge of the Commissioners at any time after the making of an assessment under this section, to the making of a further assessment within the period applicable by virtue of this subsection in relation to that further assessment.

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(5) Subsection (4) above shall have effect as if the reference in paragraph (a) to [^{F19}4 years] were a reference to twenty years [^{F20}in any case falling within subsection (5A)(a) or (b)] of any assessment to any amount of duty the assessment or payment of any of which has been postponed or otherwise affected by—

- (a) conduct in respect of which any person (whether or not the person assessed)—
 - (i) has become liable to a penalty under section 8 above, or
 - (ii) has been convicted of an offence of fraud or dishonesty; or
- (b) any conduct in respect of which proceedings for an offence of fraud or dishonesty would have been commenced or continued against any person (whether or not the person assessed), but for their having been compounded under section 152(a) of the Management Act.

[^{F21}(5A) The cases are—

- (a) a case involving a loss of duty of excise brought about deliberately by the person assessed (P) or by another person acting on P's behalf, and
- (b) a case in which P has participated in a transaction knowing that it was part of arrangements of any kind (whether or not legally enforceable) intended to bring about a loss of duty of excise.]

(6) The reference in subsection (4) above to the time when a person's liability to a duty of excise arose are references—

- (a) in the case of a duty of excise on goods, to the excise duty point; and
- (b) in any other case, to the time when the duty was charged.

[^{F22}(6A) The reference in subsection (5A) to a loss of duty of excise brought about deliberately by P or another person includes a loss that arises as a result of—

- (a) a deliberate inaccuracy in a document given to Her Majesty's Revenue and Customs by that person, or
- (b) a deliberate failure by that person to comply with an obligation specified in the Table in paragraph 1 of Schedule 41 to the Finance Act 2008 with respect to that duty of excise.]

[^{F23}(7)

(8) In this section “representative”, in relation to a person appearing to the Commissioners to be a person from whom any amount has become due in respect of any duty of excise, means his personal representative [^{F24}, trustee in bankruptcy or interim or permanent trustee,] any receiver or liquidator appointed in relation to that person or any of his property or any other person acting in a representative capacity in relation to that person.

Textual Amendments

- F10** S. 12(1A) inserted (1.10.1998) by 1998 c. 36, s. 20, Sch. 2 paras. 7, 12; S.I. 1998/2243, art. 2
- F11** Words in s. 12(2)(c) omitted (1.12.2014) by virtue of Finance Act 2014 (c. 26), s. 198(2)(c), Sch. 28 para. 16(a) (with Sch. 29)
- F12** Words in s. 12(2)(c) inserted (19.3.1997) by 1997 c. 16, ss. 13, 15, Sch. 2 para. 7
- F13** Words in s. 12(2)(c) inserted (17.7.2012) (with effect in accordance with Sch. 24 para. 66(2) of the amending Act) by Finance Act 2012 (c. 14), Sch. 24 para. 47
- F14** Words in s. 12(2)(c) inserted (1.12.2014) by Finance Act 2014 (c. 26), s. 198(2)(c), Sch. 28 para. 16(b) (with Sch. 29)

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- F15** S. 12(2)(ca) inserted (with effect in accordance with s. 4(5) of the amending Act) by [Finance Act 2004 \(c. 12\)](#), [s. 4\(3\)](#); [S.I. 2006/201](#), [art. 2](#)
- F16** Words in s. 12(2)(ca) substituted (1.8.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [s. 120\(2\)](#), [Sch. 13 para. 9](#); [S.I. 2023/884](#), [reg. 2\(1\)\(j\)](#) (with [reg. 10](#))
- F17** S. 12(2A) omitted (31.12.2020) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), [s. 57\(3\)](#), [Sch. 9 para. 8\(1\)](#) (with savings and transitional provisions in [2020 c. 26](#), [Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642](#), [reg. 4\(c\)](#) (with [reg. 6](#))
- F18** Words in s. 12(4)(a) substituted (1.4.2011) (with effect in accordance with [Sch. 13 para. 3\(7\)](#) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [s. 29\(2\)](#), [Sch. 13 para. 3\(2\)](#); [S.I. 2011/777](#), [art. 2](#) (with [arts. 34](#))
- F19** Words in s. 12(5) substituted (1.4.2011) (with effect in accordance with [Sch. 13 para. 3\(7\)](#) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [s. 29\(2\)](#), [Sch. 13 para. 3\(2\)](#); [S.I. 2011/777](#), [art. 2](#) (with [arts. 34](#))
- F20** Words in s. 12(5) substituted (1.4.2011) (with effect in accordance with [Sch. 13 para. 3\(7\)](#) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [s. 29\(2\)](#), [Sch. 13 para. 3\(3\)](#); [S.I. 2011/777](#), [art. 2](#) (with [art. 4](#))
- F21** S. 12(5A) inserted (1.4.2011) (with effect in accordance with [Sch. 13 para. 3\(7\)](#) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [s. 29\(2\)](#), [Sch. 13 para. 3\(4\)](#); [S.I. 2011/777](#), [art. 2](#) (with [art. 4](#))
- F22** S. 12(6A) inserted (1.4.2011) (with effect in accordance with [Sch. 13 para. 3\(7\)](#) of the amending Act) by [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [s. 29\(2\)](#), [Sch. 13 para. 3\(5\)](#); [S.I. 2011/777](#), [art. 2](#) (with [art. 4](#))
- F23** S. 12(7) omitted (1.4.2011) (with effect in accordance with [Sch. 13 para. 3\(7\)](#) of the amending Act) by virtue of [Finance \(No. 3\) Act 2010 \(c. 33\)](#), [s. 29\(2\)](#), [Sch. 13 para. 3\(6\)](#); [S.I. 2011/777](#), [art. 2](#) (with [art. 4](#))
- F24** Words in s. 12(8) substituted (1.6.1997) by [1997 c. 16](#), [s. 50\(2\)](#), [Sch. 6 paras. 1\(3\), 7](#); [S.I. 1997/1305](#), [art. 2](#)

Modifications etc. (not altering text)

- C25** S. 12 applied by [1981 c. 63](#), [s. 26I\(4\)](#) (as inserted (with effect in accordance with [s. 8\(2\)](#) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 1 para. 2](#); [S.I. 2007/2172](#), [art. 2](#))
- C26** S. 12 modified (19.3.1997) by [1997 c. 16](#), [ss. 12\(6\)\(a\), 15](#)
- C27** S. 12 modified by [1979 c. 5](#), [s. 13AC\(5\)](#) (as inserted (1.11.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 6 paras. 11, 21](#))
- C28** S. 12 modified by [1979 c. 5](#), [s. 14E\(6\)](#) (as inserted (1.11.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 6 paras. 15, 21](#))
- C29** S. 12 applied (with effect in accordance with [s. 198\(5\)](#) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [ss. 167\(3\), 198\(1\)](#) (with [Sch. 29](#))
- C30** S. 12(1) extended (29.4.1996 with effect as mentioned in [1996 c. 8](#), [s. 6\(5\)](#)) by [1979 c. 5](#), [s. 20AAB\(5\)](#) (as inserted by [1996 c. 8](#), [s. 6\(3\)\(5\)](#); [S.I. 1996/2751](#), [art. 2](#))
- C31** S. 12(7) modified (E.W.) (1.10.2008) by [Serious Crime Act 2007 \(c. 27\)](#), [s. 94\(1\)](#), [Sch. 6 para. 22](#) (with [Sch. 13 para. 5](#); [S.I. 2008/2504](#), [art. 2\(a\)](#))

Commencement Information

- I6** S. 12 wholly in force at 1.1.1995; s. 12 not in force at Royal Assent see [s. 19\(1\)](#); s. 12 (except [s. 12\(7\)\(b\)\(c\)](#) and specified references in [s. 12\(7\)\(a\)](#)) in force for certain purposes at 1.11.1994 by [S.I. 1994/2679](#), [art. 2](#), [Sch.](#); s. 12 in force at 1.1.1995 insofar as not already in force by [S.I. 1994/2679](#), [art. 3](#)

Marginal Citations

- M5** [1981 c. 63](#).

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[^{F25}12A Other assessments relating to excise duty matters.

- (1) This subsection applies where any relevant excise duty relief other than an excepted relief—
 - (a) has been given but ought not to have been given, or
 - (b) would not have been given had the facts been known or been as they later turn out to be.
- (2) Where subsection (1) above applies, the Commissioners may assess the amount of the relief given as being excise duty due from the liable person and notify him or his representative accordingly.
- (3) Where an amount has been assessed as due from any person under—
 - (a) subsection (2) above,
 - (b) section 94 or 96 of the Management Act, ^{F26}...
 - ^{F27}(bb) [section 60, 78 or 79](#) of the Finance (No. 2) Act 2023,]
 - (c) section 10, 13, [^{F28}13ZB,][^{F29}13AB,][^{F30}13AD,] 14, [^{F31}14F,] 23 or 24 of the ^{M6}Hydrocarbon Oil Duties Act 1979,
 - ^{F32}[section 8 of the Tobacco Products Duty Act 1979, or
 - (d) section 2 of the Finance (No. 2) Act 1992,]

and notice has been given accordingly, that amount shall, subject to any appeal under section 16 below, be deemed to be an amount of excise duty due from that person and may be recovered accordingly, unless, or except to the extent that, the assessment has subsequently been withdrawn or reduced.
- (4) No assessment under any of the provisions referred to in subsection (3) above, or under section 61 or 167 of the Management Act, shall be made at any time after whichever is the earlier of the following times, that is to say—
 - (a) subject to subsection (6) below, the end of the period of [^{F33}4 years] beginning with the relevant time; and
 - (b) the end of the period of one year beginning with the day on which evidence of facts, sufficient in the opinion of the Commissioners to justify the making of the assessment, comes to their knowledge.
- (5) Subsection (4) above shall be without prejudice, where further evidence comes to the knowledge of the Commissioners at any time after the making the assessment concerned, to the making of a further assessment within the period applicable by virtue of that subsection in relation to that further assessment.
- (6) Subsection (4) above shall have effect as if the reference in paragraph (a) to [^{F34}years] were a reference to twenty years in any case [^{F35}falling within section 12(5A) (a) or (b)].]
- ^{F36}(7) For the purposes of subsection (6), a reference in section 12(5A) to a loss of duty of excise includes a loss caused by giving relief, allowing a rebate, conferring an entitlement to drawback or repaying an amount that ought not to have been given, allowed, conferred or repaid.]

Textual Amendments

F25 Ss. 12A, 12B inserted (1.6.1997) by [1997 c. 16, s. 50\(2\)](#), [Sch. 6 paras. 1\(1\), 7](#); [S.I. 1997/1305, art. 2](#)

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- F26** Word at the end of s. 12A(3)(b) repealed (1.10.1998) by 1998 c. 36, ss. 20, 165, Sch. 2 paras. 8(2), 12, Sch. 27 Pt. I(5), Note; S.I. 1998/2243, art. 2
- F27** S. 12A(3)(bb) substituted (1.8.2023) by Finance (No. 2) Act 2023 (c. 30), s. 120(2), Sch. 13 para. 10; S.I. 2023/884, reg. 2(1)(j) (with reg. 10)
- F28** Word in s. 12A(3)(c) inserted (1.11.2008) by Finance Act 2008 (c. 9), Sch. 6 paras. 34, 37
- F29** Word in s. 12A(3)(c) inserted (1.10.1998 for certain purposes, 1.9.2008 for specified purposes, 1.6.2009 for specified purposes) by Finance Act 1998 (c. 36), Sch. 2 paras. 8(3), 12; S.I. 2008/2302, arts. 2, 3; S.I. 2009/1022, arts. 2, 3
- F30** Word in s. 12A(3)(c) inserted (1.11.2008) by Finance Act 2008 (c. 9), Sch. 6 paras. 18(a), 21
- F31** Word in s. 12A(3)(c) inserted (1.11.2008) by Finance Act 2008 (c. 9), Sch. 6 paras. 18(b), 21
- F32** S. 12A(3)(d)(e) inserted (1.10.1998 for certain purposes, 1.9.2008 for specified purposes, 1.6.2009 for specified purposes) by Finance Act 1998 (c. 36), Sch. 2 paras. 8(3), 12; S.I. 2008/2302, arts. 2, 3; S.I. 2009/1022, arts. 2, 3
- F33** Words in s. 12A(4)(a) substituted (1.4.2011) by Finance (No. 3) Act 2010 (c. 33), s. 29(2), Sch. 13 para. 5(2); S.I. 2011/777, art. 2 (with art. 5)
- F34** Words in s. 12A(6) substituted (1.4.2011) by Finance (No. 3) Act 2010 (c. 33), s. 29(2), Sch. 13 para. 5(2); S.I. 2011/777, art. 2 (with art. 5)
- F35** Words in s. 12A(6) substituted (1.4.2011) by Finance (No. 3) Act 2010 (c. 33), s. 29(2), Sch. 13 para. 5(3); S.I. 2011/777, art. 2
- F36** S. 12A(7) inserted (1.4.2011) by Finance (No. 3) Act 2010 (c. 33), s. 29(2), Sch. 13 para. 5(4); S.I. 2011/777, art. 2

Marginal Citations

M6 1979 c. 5.

[^{F37}12B Section 12A: supplementary provisions.

- (1) For the purposes of section 12A above and this section, relevant excise duty relief has been given if (and only if)—
 - (a) an amount of excise duty which a person is liable to pay has been remitted or payment of an amount of excise duty which a person is liable to pay has been waived;
 - (b) an amount of excise duty has been repaid to a person;
 - (c) an amount by way of drawback of excise duty has been paid to a person;
 - (d) an allowance of excise duty in any amount has been made to a person;
 - (e) an amount by way of rebate has been allowed to a person;
 - (f) the liability of a person to repay an amount paid by way of drawback of excise duty has been waived;
 - (g) an amount has been paid to a person under section 20(3) of the Hydrocarbon Oil Duties Act 1979 (payments in respect of contaminated or accidentally mixed oil); or
 - (h) an amount of relief has been allowed to a person by virtue of section 20AA [^{F38}or 20AB] of that Act (power to allow reliefs), or in accordance with paragraph 10 of Schedule 3 to that Act (power to make regulations for the purpose of relieving from excise duty oil intended for exportation or shipment as stores);

and the amount of the relief is the amount mentioned in relation to the relief in this subsection.

- (2) For the purposes of section 12A above the relevant time is—

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- (a) in the case of an assessment under section 61 of the Management Act, the time when the ship or aircraft in question returned to a place within the United Kingdom;
 - (b) in the case of an assessment under section 94 of that Act, the time at which the goods in question were warehoused;
 - (c) in the case of an assessment under that section as it has effect by virtue of section 95 of that Act, the time when the goods in question were lawfully taken from the warehouse;
 - (d) in the case of an assessment under section 96 of that Act, the time when the goods in question were moved by pipe-line or notified as goods to be moved by pipe-line;
 - (e) in the case of an assessment under section 167 of that Act—
 - (i) if the assessment relates to unpaid duty, the time when the duty became payable or, if later, the time when the document in question was delivered or the statement in question was made; and
 - (ii) if the assessment relates to an overpayment, the time when the overpayment was made;
 - [^{F39}(ea) in the case of an assessment under [section 78](#) of the Finance (No. 2) Act 2023, the time of delivery from the relevant premises (as defined in that section);
 - (eb) in the case of an assessment under [section 79](#) of that Act, the time of importation;]
 - [^{F40}(ec) in the case of an assessment under [^{F41}section 60 of that Act], the the time at which the requirement to pay the duty took effect (which time, in a case where there was an excise duty point for the beer fixed under section 1 of the Finance (No. 2) Act 1992, is that excise duty point);]
 - (f) in the case of an assessment under section 10, 13, [^{F42}13ZB,][^{F43}13AB,][^{F44}13AD,] 14 [^{F45}, 14F] or 23 of the ^{M7}Hydrocarbon Oil Duties Act 1979, the time of the action which gave rise to the power to assess;
 - (g) in the case of an assessment under section 24(4A) or (4B) of that Act, the time when the rebate was allowed or the oil was delivered without payment of duty (as the case may be);
 - [^{F46}(ga) in the case of an assessment under section 8 of the Tobacco Products Duty Act 1979, the time when the Commissioners are satisfied of a failure to prove as mentioned in subsection (2)(a) or (b) of that section;
 - (gb) in the case of an assessment under section 2 of the Finance (No. 2) Act 1992, the time when the sums were paid or credited in respect of the drawback;]
 - (h) in the case of an assessment under section 12A(2) above, the time when the relevant excise duty relief in question was given.
- (3) In section 12A above “the liable person” means—
- (a) in the case of excise duty which has been remitted or repaid under section 130 of the Management Act on the basis that goods were lost or destroyed while in a warehouse, the proprietor of the goods or the occupier of the warehouse;
 - (b) in the case of a rebate which has been allowed on any oil under section 11 of the Hydrocarbon Oil Duties Act 1979, the person to whom the rebate was allowed or the occupier of any warehouse from which the oil was delivered for home use;
 - (c) in the case of a rebate allowed on any petrol under section 13A of that Act, the person to whom the rebate was allowed or the occupier of any warehouse from which the petrol was delivered for home use;

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- (d) in any other case, the person mentioned in subsection (1) above to whom the relief in question was given.

(4) In section 12A above—

“excepted relief” means any relief which is given by the making of a repayment on a claim made under section 137A of the Management Act;

“representative”, in relation to any person from whom the Commissioners assess an amount as being excise duty due, means his personal representative, trustee in bankruptcy or interim or permanent trustee, any receiver or liquidator appointed in relation to him or any of his property or any other person acting in a representative capacity in relation to him.]

Textual Amendments

- F37** Ss. 12A, 12B inserted (1.6.1997) by 1997 c. 16, s. 50(2), Sch. 6 paras. 1(1), 7; S.I. 1997/1305, art. 2
- F38** Words in s. 12B(1)(h) inserted (11.5.2001) by 2001 c. 9, s. 3(4)
- F39** S. 12B(2)(ea)(eb) substituted (1.8.2023) by Finance (No. 2) Act 2023 (c. 30), s. 120(2), Sch. 13 para. 11(2); S.I. 2023/884, reg. 2(1)(j) (with reg. 10)
- F40** S. 12B(2)(ec) inserted (retrospective to 1.6.2002) by Finance Act 2002 (c. 23), s. 4(1)(2), Sch. 1 para. 4(3)
- F41** Words in s. 12B(2)(ec) substituted (1.8.2023) by Finance (No. 2) Act 2023 (c. 30), s. 120(2), Sch. 13 para. 11(3); S.I. 2023/884, reg. 2(1)(j) (with reg. 10)
- F42** Word in s. 12B(2)(f) inserted (1.11.2008) by Finance Act 2008 (c. 9), Sch. 6 paras. 35, 37
- F43** Word in s. 12B(2)(f) inserted (1.10.1998) by 1998 c. 36, s. 20, Sch. 2 paras. 9(3), 12; S.I. 1998/2243, art. 2
- F44** Word in s. 12B(2)(f) inserted (1.11.2008) by Finance Act 2008 (c. 9), Sch. 6 paras. 19(a), 21
- F45** Word in s. 12B(2)(f) inserted (1.11.2008) by Finance Act 2008 (c. 9), Sch. 6 paras. 19(b), 21
- F46** S. 12B(2)(ga)(gb) inserted (1.9.2008 for specified purposes, 1.6.2009 for specified purposes) by Finance Act 1998 (c. 36), Sch. 2 paras. 9(4), 12; S.I. 2008/2302, arts. 2, 3; S.I. 2009/1022, arts. 2, 3

Marginal Citations

- M7** 1979 c. 5.

13 Assessments to penalties.

- (1) Where any person is liable to a penalty under this Chapter, the Commissioners may assess the amount due by way of penalty and notify that person, or his representative, accordingly.
- (2) An assessment under this section may be combined with an assessment under section 12 above, but any notification for the purposes of any such combined assessment shall separately identify any amount assessed by way of a penalty.
- (3) In the case of any amount due from any person by way of a penalty under section 9 above for conduct consisting in a contravention which attracts daily penalties—
- (a) a notification of an assessment under this section shall specify a date, being a date no later than the date of the notification, to which the penalty as assessed is to be calculated; and
- (b) if the contravention continues after that date, a further assessment, or (subject to this subsection) further assessments, may be made under this section in respect of any continuation of the contravention after that date.

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(4) If—

- (a) a person is assessed to a penalty in accordance with paragraph (a) of subsection (3) above, and
- (b) the contravention to which that penalty relates is remedied within such period after the date specified for the purposes of that subsection in the notification of assessment as may for the purposes of this subsection be notified to that person by the Commissioners,

that contravention shall be treated for the purposes of this Chapter as having been remedied, and accordingly the conduct shall be deemed to have ceased, immediately before that date.

(5) If an amount has been assessed as due from any person and notified in accordance with this section, then unless, or except to the extent that, the assessment has subsequently been withdrawn or reduced, that amount shall, subject to any appeal under section 16 below, be recoverable as if it were an amount due from that person as an amount of the appropriate duty.

(6) In subsection (5) above “the appropriate duty” means—

- (a) the [^{F47}relevant duty] (if any) by reference to an amount of which the penalty in question is calculated; or
- (b) where there is no such duty, the [^{F47}relevant duty] the provisions relating to which are contravened by the conduct giving rise to the penalty or, if those provisions relate to more than one duty, such of the duties as appear to the Commissioners and are certified by them to be relevant in the case in question.

(7) In this section “representative”, in relation to a person liable to a penalty under this Chapter, means his personal representative [^{F48}, trustee in bankruptcy or interim or permanent trustee,] any receiver or liquidator appointed in relation to that person or any of his property or any other person acting in a representative capacity in relation to that person.

Textual Amendments

F47 Words in s. 13(6)(a)(b) substituted (1.7.1997) by 1997 c. 16, s. 53(3)(9); S.I. 1997/1432, art. 2

F48 Words in s. 13(7) substituted (1.6.1997) by 1997 c. 16, s. 50(2), Sch. 6 paras. 1(3), 7; S.I. 1997/1305, art. 2

Commencement Information

I7 S. 13 wholly in force at 1.1.1995; s. 13 not in force at Royal Assent see s. 19(1); s. 13 in force for certain purposes at 1.11.1994 by S.I. 1994/2679, art. 2, Sch.; s. 13 in force at 1.1.1995 insofar as not already in force by S.I. 1994/2679, art. 3

Customs and excise reviews and appeals

[^{F49}13A Meaning of “relevant decision”

- (1) This section applies for the purposes of the following provisions of this Chapter.
- (2) A reference to a relevant decision is a reference to any of the following decisions—
 - (a) any decision by HMRC, in relation to any customs duty or to any agricultural levy of the [^{F50}European Union], as to—

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- (i) whether or not, and at what time, anything is charged in any case with any such duty or levy;
 - (ii) the rate at which any such duty or levy is charged in any case, or the amount charged;
 - (iii) the person liable in any case to pay any amount charged, or the amount of his liability; or
 - (iv) whether or not any person is entitled in any case to relief or to any repayment, remission or drawback of any such duty or levy, or the amount of the relief, repayment, remission or drawback to which any person is entitled;
- (b) so much of any decision by HMRC that a person is liable to any duty of excise, or as to the amount of his liability, as is contained in any assessment under section 12 above;
- (c) any decision by HMRC to assess any person to excise duty under section 12A(2) above, section 61, 94, 96 or 167 of the Management Act, [^{F51}section 52, 60, 78 or 79 of Part 2 of the Finance (No. 2) Act 2023 (alcohol duty),] section 10, 13, 13ZB, 13AB, 13AD, 14, 14F, 23 or 24 of the [Hydrocarbon Oil Duties Act 1979](#), section 8 of the Tobacco Products Duty Act 1979, section 2 of the Finance (No 2) Act 1992 or as to the amount of duty to which a person is to be assessed under any of those provisions;
- (d) any decision by HMRC on a claim under section 137A of the Management Act for repayment of excise duty;
- (e) any decision by HMRC as to whether or not any person is entitled to any drawback of excise duty by virtue of regulations under section 2 of the Finance (No 2) Act 1992, or the amount of the drawback to which any person is so entitled;
- [^{F52}(ea) any decision by HMRC that a person is liable to a penalty, or as to the amount of the person's liability, under—
 - [^{F53}(i) regulations under [section 102](#) of [Part 2](#) of the Finance (No. 2) Act 2023 (alcohol duty), or
 - (ii) [Schedule 12](#) to that Act;]]
- (f) any decision by HMRC as to whether or not any person is entitled to any repayment or credit by virtue of regulations under [^{F54}paragraph 4(2)(h) of [Schedule 12](#) to the Finance (No. 2) Act 2023 (alcohol duty: duty stamps)], or the amount of the repayment or credit to which any person is so entitled;
- (g) any decision by HMRC made by virtue of regulations under paragraph 4(2)(i) of that Schedule that some or all of a payment made, or security provided, is forfeit, or the amount which is so forfeit;
- ^{F55}(ga)
- [^{F56}(gb) any decision by HMRC that a person is liable to a penalty, or as to the amount of the person's liability, under section 8O of the Tobacco Products Duty Act 1979;]
- [^{F57}(gc) any decision by HMRC that a person is liable to a penalty, or as to the amount of a person's liability, under—
 - (i) regulations under section 55 of the Finance (No. 2) Act 2017, or
 - (ii) [Schedule 13](#) to that Act;]
- (h) so much of any decision by HMRC that a person is liable to any penalty under any of the provisions of this Chapter, or as to the amount of his liability, as is contained in any assessment under section 13 above;

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- (i) any decision as to whether or not—
 - (i) an amount due in respect of customs duty or agricultural levy, or
 - (ii) any repayment by HMRC of an amount paid by way of customs duty or agricultural levy,
 is to carry interest, or as to the rate at which, or period for which, any such amount is to carry interest;
- (j) any decision by HMRC which is of a description specified in Schedule 5 to this Act, except for any decision under section 152(b) of the Management Act as to whether or not anything forfeited or seized under the customs and excise Acts is to be restored to any person or as to the conditions subject to which any such thing is so restored.]

Textual Amendments

- F49** S. 13A 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. 198**
- F50** Words in Act substituted (22.4.2011) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011 \(S.I. 2011/1043\)](#), arts. 2, 3, 4 (with art. 3(2)(3), 4(2), 6(4)(5))
- F51** Words in s. 13A(2)(c) substituted (1.8.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), s. 120(2), **Sch. 11 para. 1(2)**; [S.I. 2023/884](#), **reg. 2(1)(f)** (with regs. 3(2)-(4), 10)
- F52** S. 13A(2)(ea) inserted (26.3.2015) by [Finance Act 2015 \(c. 11\)](#), s. 54(6)(8)
- F53** S. 13A(2)(ea)(i)(ii) substituted (1.8.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), s. 120(2), **Sch. 11 para. 1(3)**; [S.I. 2023/884](#), **reg. 2(1)(f)** (with regs. 3(2)-(4), 10)
- F54** Words in s. 13A(2)(f) substituted (1.8.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), s. 120(2), **Sch. 11 para. 1(4)**; [S.I. 2023/884](#), **reg. 2(1)(f)** (with regs. 3(2)-(4), 10)
- F55** S. 13A(2)(ga) omitted (1.12.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), s. 198(2)(c), **Sch. 28 para. 17** (with [Sch. 29](#))
- F56** S. 13A(2)(gb) inserted (6.12.2016) by [Finance Act 2016 \(c. 24\)](#), s. 179(3)(5); [S.I. 2016/1171](#), **reg. 2(2)**
- F57** S. 13A(2)(gc) inserted (16.11.2017 for specified purposes, 1.4.2018 in so far as not already in force) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **ss. 56(2), 59(1)**; [S.I. 2018/298](#), **reg. 2(2)**

Modifications etc. (not altering text)

- C32** Ss. 13A-16 applied by 1979 c. 7, s. 7C(3) (as 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. 93(2)**)
- C33** S. 13A(2) modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), **ss. 182(1), 198(1)** (with [Sch. 29](#))
- C34** S. 13A(2) modified (coming into force in accordance with of the amending S.I.) by [The Tobacco Products Manufacturing Machinery \(Licensing Scheme\) Regulations 2018 \(S.I. 2018/75\)](#), regs. 1(2), **18(1)**
- C35** S. 13A(2) modified by 1997 c. 16, Sch. 1 para. 9(5)(6) (as substituted (1.10.2019) by [Finance Act 2019 \(c. 1\)](#), **Sch. 19 paras. 2(5), 7**)

14 ^{F58}^{F59} Requirement for review of decision under section 152(b) of the Management Act etc]

- (1) This section applies to the following decisions [^{F60}by HMRC] , not being decisions under this section or section 15 below, that is to say—

- [^{F61}(a) any decision under section 152(b) of the Management Act as to whether or not anything forfeited or seized under the customs and excise Acts is to be restored to any person or as to the conditions subject to which any such thing is so restored;

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- (b) any relevant decision which is linked by its subject matter to such a decision under section 152(b) of the Management Act.]
- (2) Any person who is—
 - (a) a person whose liability to pay any relevant duty or penalty is determined by, results from or is or will be affected by any decision to which this section applies,
 - (b) a person in relation to whom, or on whose application, such a decision has been made, or
 - (c) a person on or to whom the conditions, limitations, restrictions, prohibitions or other requirements to which such a decision relates are or are to be imposed or applied,may by notice in writing to the Commissioners require them to review that decision.
- [^{F62}(2A) But in the case of a relevant decision that falls within subsection (1)(b), a person may require HMRC to review the decision under this section only if HMRC are also required to review the decision within subsection (1)(a) to which it is linked.]
- (3) The Commissioners shall not be required under this section to review any decision unless the notice requiring the review is given before the end of the period of forty-five days beginning with the day on which written notification of the decision, or of the assessment containing the decision, was first given to the person requiring the review.
- (4) For the purposes of subsection (3) above it shall be the duty of the Commissioners to give written notification of any decision to which this section applies to any person who—
 - (a) requests such a notification;
 - (b) has not previously been given written notification of that decision; and
 - (c) if given such a notification, will be entitled to require a review of the decision under this section.
- (5) A person shall be entitled to give a notice under this section requiring a decision to be reviewed for a second or subsequent time only if—
 - (a) the grounds on which he requires the further review are that the Commissioners did not, on any previous review, have the opportunity to consider certain facts or other matters; and
 - (b) he does not, on the further review, require the Commissioners to consider any facts or matters which were considered on a previous review except in so far as they are relevant to any issue to which the facts or matters not previously considered relate.
- ^{F63}(6)
- ^{F63}(7)

| Textual Amendments | |
|--------------------|--|
| F58 | Words in s. 14(1)(ba) inserted (1.9.2008 for specified purposes, 1.6.2009 for specified purposes) by Finance Act 1998 (c. 36), Sch. 2 paras. 10(c), 12 ; S.I. 2008/2302, arts. 2, 3; S.I. 2009/1022, arts. 2, 3 |
| F59 | S. 14 heading 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. 199(2) (with Sch. 3 paras. 2-4) |
| F60 | Words in s. 14(1) 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. 199(3)(a) (with Sch. 3 paras. 2-4) |

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- F61** S. 14(1)(a)(b) substituted for s. 14(1)(a)-(d) (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. 199(3)(b)** (with Sch. 3 paras. 2-4)
- F62** S. 14(2A) 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. 199(4)** (with Sch. 3 paras. 2-4)
- F63** S. 14(6)(7) 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. 199(5)** (with Sch. 3 paras. 2-4)

Modifications etc. (not altering text)

- C36** S. 14 applied (1.6.1995) by [S.I. 1995/1046](#), **reg. 7(3)**
S. 14 applied (1.5.1995 with effect as mentioned in 1995 c. 4, s. 14(2)) by 1981 c. 63, **Sch. 4 para. 7A(5)** (as inserted by 1995 c. 4, s. 14, **Sch. 3 para. 11(5)**)
S. 14 applied (1.10.1995) by [S.I. 1995/2351](#), **reg. 2**
S. 14 applied (*prosp.*) by 1995 c. 4, s. 5(4)(6)
S. 14 applied (19.3.1997) by 1997 c. 16, ss. 11(7), 13(1), 15, 50(1), Sch. 1 paras. 8(11), 9(5), **Sch. 5 para. 19(1)**
S. 14 applied (24.3.1997) by [S.I. 1997/534](#), **regs. 3(1), 5(1)**
S. 14 applied (28.7.2000 with effect as mentioned in 2000 c. 17, **Sch. 2 para. 10(2)**) by 1981 c. 63, **Sch. 4A para. 6(1)** (as inserted by 2000 c. 17, s. 17, **Sch. 2 para. 10**)
- C37** Ss. 14-16 modified (1.7.2005) by [Finance Act 1995](#) (c. 4), s. 5(4)(6); [S.I. 2005/1523](#), art. 2 (with art. 3)
- C38** Ss. 14-16 applied by 1981 c. 63, s. 26M(1) (as inserted (with effect in accordance with s. 8(2) of the amending Act) by [Finance Act 2007](#) (c. 11), **Sch. 1 para. 2**; [S.I. 2007/2172](#), art. 2)
- C39** Ss. 14-16 applied by 1981 c. 63, s. 26M(2)-(4) (as inserted (with effect in accordance with s. 8(2) of the amending Act) by [Finance Act 2007](#) (c. 11), **Sch. 1 para. 2**; [S.I. 2007/2172](#), art. 2)
- C40** Ss. 14-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014](#) (c. 26), **ss. 182(3), 198(1)** (with Sch. 29)

Commencement Information

- I8** S. 14 wholly in force at 1.1.1995; s. 14 not in force at Royal Assent see s. 19(1); s. 14(1)(2)-(5) (except s. 14(1)(a)) in force for certain purposes at 1.11.1994 by [S.I. 1994/2679](#), art. 2, **Sch.**; s. 14 in force at 1.1.1995 insofar as not already in force by [S.I. 1994/2679](#), art. 3

^{F64}14A Review out of time

- (1) This section applies if—
 - (a) a person may, under section 14(2), require HMRC to review a decision, and
 - (b) the person gives notice requiring such a review after the end of the 45 day period mentioned in section 14(3).
- (2) HMRC are required to carry out a review of the decision in either of the following cases.
- (3) The first case is where HMRC are satisfied that—
 - (a) there was a reasonable excuse for not giving notice requiring a review before the end of that 45 day period, and
 - (b) the notice given after the end of that period was given without unreasonable delay after that excuse ceased.
- (4) The second case is where—
 - (a) HMRC are not satisfied as mentioned in subsection (3), and
 - (b) the appeal tribunal, on application made by the person, orders HMRC to carry out a review.

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- (5) A person may require HMRC to review a decision falling within section 14(1)(b) only if HMRC are also required to review the decision within section 14(1)(a) to which it is linked.
- (6) Section 14(5) applies to notices given under this section as it applies to notices given under section 14.]

Textual Amendments

F64 S. 14A 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. 200** (with Sch. 3 paras. 2-4)

Modifications etc. (not altering text)

C40 Ss. 14-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), **ss. 182(3), 198(1)** (with Sch. 29)

15 Review procedure.

- (1) Where the Commissioners are required in accordance with [^{F65}section 14 or 14A] to review any decision, it shall be their duty to do so and they may, on that review, either—
- (a) confirm the decision; or
 - (b) withdraw or vary the decision and take such further steps (if any) in consequence of the withdrawal or variation as they may consider appropriate.
- (2) Where—
- (a) it is the duty of the Commissioners in pursuance of a requirement by any person under section 14 [^{F66}or 14A] above to review any decision; and
 - (b) they do not, within the period of forty-five days beginning with the day on which the review was required, give notice to that person of their determination on the review,
- they shall be assumed for the purposes of [^{F67}section 14 or 14A] to have confirmed the decision.
- (3) The Commissioners shall not by virtue of any requirement under this Chapter to review a decision have any power, apart from their power in pursuance of section 8(4) above, to mitigate the amount of any penalty imposed under this Chapter.

Textual Amendments

F65 Words in s. 15(1) 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. 201(2)** (with Sch. 3 paras. 2-4)

F66 Words in s. 15(2)(a) 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. 201(3)(a)** (with Sch. 3 paras. 2-4)

F67 Words in s. 15(2) 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. 201(3)(b)** (with Sch. 3 paras. 2-4)

Modifications etc. (not altering text)

C37 Ss. 14-16 modified (1.7.2005) by [Finance Act 1995 \(c. 4\)](#), **s. 5(4)(6)**; [S.I. 2005/1523](#), art. 2 (with art. 3)

C38 Ss. 14-16 applied by 1981 c. 63, s. 26M(1) (as inserted (with effect in accordance with s. 8(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), **Sch. 1 para. 2**; [S.I. 2007/2172](#), art. 2)

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- C39** Ss. 14-16 applied by 1981 c. 63, s. 26M(2)-(4) (as inserted (with effect in accordance with s. 8(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [Sch. 1 para. 2](#); [S.I. 2007/2172](#), [art. 2](#))
- C40** Ss. 14-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [ss. 182\(3\)](#), [198\(1\)](#) (with [Sch. 29](#))
- C41** S. 15 applied (1.6.1995) by [S.I. 1995/1046](#), [reg. 7\(3\)](#)
S. 15 applied (1.5.1995 with effect as mentioned in [1995 c. 4](#), [s. 14\(2\)](#)) by 1981 c. 63, [Sch. 4 para. 7A\(5\)](#) (as inserted by [1995 c. 4](#), [s. 14](#), [Sch. 3 para. 11\(5\)](#))
S. 15 applied (*prosp.*) by [1995 c. 4](#), [s. 5\(4\)\(6\)](#)
S. 15 applied (19.3.1997) by [1997 c. 16](#), [ss. 11\(7\)](#), [13\(1\)](#), [15](#), [50\(1\)](#), [Sch. 1 paras. 8\(11\)](#), [9\(5\)](#), [Sch. 5 para. 19\(1\)](#)

Commencement Information

- I9** S. 15 wholly in force at 1.1.1995; s. 15 not in force at Royal Assent see s. 19(1); s. 15 in force for certain purposes at 1.11.1994 by [S.I. 1994/2679](#), [art. 2](#), [Sch.](#); s. 15 in force at 1.1.1995 insofar as not already in force by [S.I. 1994/2679](#), [art. 3](#)

^{F68}15A Offer of review of relevant decision

- (1) If HMRC notify a person (P) of a relevant decision by HMRC, HMRC must at the same time, by notice to P, offer P a review of the decision.
- (2) This section does not apply to the notification of the conclusions of a review.

Textual Amendments

- F68** Ss. 15A-15F 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. 202](#) (with [Sch. 3 paras. 2-4](#))

Modifications etc. (not altering text)

- C40** Ss. 14-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [ss. 182\(3\)](#), [198\(1\)](#) (with [Sch. 29](#))
- C42** S. 15A modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [ss. 172\(1\)](#), [198\(1\)](#) (with [Sch. 29](#))
- C43** S. 15A modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 27 para. 6\(4\)\(5\)](#)
- C44** S. 15A modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 27 para. 4\(3\)\(4\)](#)
- C45** S. 15A modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 27 para. 2\(3\)\(4\)](#)
- C46** S. 15A modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 27 para. 7\(3\)\(4\)](#)

15B Right to require review

- (1) Any person (other than P) who has the right of appeal under section 16 against a relevant decision may require HMRC to review that decision.
- (2) The other person may not notify HMRC requiring a review of the decision if either of the following conditions is met.
- (3) Condition A is that—
 - (a) the relevant decision falls within section 14(1)(b) (decision linked to decision under section 152(b) of the Management Act about things forfeited or seized), and
 - (b) under section 15, HMRC are reviewing, or have reviewed, the decision under section 152(b) of the Management Act to which the relevant decision is linked.

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- (4) Condition B is that P or the other person has brought an appeal under section 16 with respect to the relevant decision.
- (5) A notification that such a person requires a review must be made within 30 days of that person becoming aware of the decision.

Textual Amendments

F68 Ss. 15A-15F 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. 202** (with Sch. 3 paras. 2-4)

Modifications etc. (not altering text)

C40 Ss. 14-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), **ss. 182(3), 198(1)** (with Sch. 29)

15C Review by HMRC

- (1) HMRC must review a decision if—
 - (a) they have offered a review of the decision under section 15A, and
 - (b) P notifies HMRC of acceptance of the offer within 30 days beginning with the date of the document containing the notification of the offer of the review.
- (2) P may not notify HMRC of acceptance of the offer of review if either of the following conditions is met.
- (3) Condition A is that—
 - (a) the relevant decision falls within section 14(1)(b) (decision linked to decision under section 152(b) of the Management Act about things forfeited or seized), and
 - (b) under section 15, HMRC are reviewing, or have reviewed, the decision under section 152(b) of the Management Act to which the relevant decision is linked.
- (4) Condition B is that P has brought an appeal under section 16 with respect to the relevant decision.
- (5) HMRC must review a decision if a person other than P notifies them under section 15B.
- (6) HMRC shall not review a decision if P, or another person, has appealed to the appeal tribunal under section 16 in respect of the decision.

Textual Amendments

F68 Ss. 15A-15F 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. 202** (with Sch. 3 paras. 2-4)

Modifications etc. (not altering text)

C40 Ss. 14-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), **ss. 182(3), 198(1)** (with Sch. 29)

C47 Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 27 para. 2(3)(4)

C48 Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 27 para. 6(4)(5)

C49 Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 27 para. 4(3)(4)

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- C50** Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\), Sch. 27 para. 7\(3\)\(4\)](#)
C51 Ss. 15C-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\), ss. 172\(1\), 198\(1\)](#) (with [Sch. 29](#))

15D Extensions of time

- (1) If under section 15A, HMRC have offered P a review of a decision, HMRC may within the relevant period notify P that the relevant period is extended.
- (2) If under section 15B another person may require HMRC to review a matter, HMRC may within the relevant period notify the other person that the relevant period is extended.
- (3) If notice is given the relevant period is extended to the end of 30 days from—
 - (a) the date of the notice, or
 - (b) any other date set out in the notice or a further notice.
- (4) In this section “relevant period” means—
 - (a) the period of 30 days referred to in—
 - (i) section 15C(1)(b) (in a case falling within subsection (1)), or
 - (ii) section 15B(5) (in a case falling within subsection (2)), or
 - (b) if notice has been given under subsection (1) or (2), that period as extended (or as most recently extended) in accordance with subsection (3).

Textual Amendments

- F68** Ss. 15A-15F 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. 202](#) (with [Sch. 3 paras. 2-4](#))

Modifications etc. (not altering text)

- C40** Ss. 14-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\), ss. 182\(3\), 198\(1\)](#) (with [Sch. 29](#))
C47 Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\), Sch. 27 para. 2\(3\)\(4\)](#)
C48 Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\), Sch. 27 para. 6\(4\)\(5\)](#)
C49 Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\), Sch. 27 para. 4\(3\)\(4\)](#)
C50 Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\), Sch. 27 para. 7\(3\)\(4\)](#)
C51 Ss. 15C-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\), ss. 172\(1\), 198\(1\)](#) (with [Sch. 29](#))

15E Review out of time

- (1) This section applies if—
 - (a) HMRC have offered a review of a decision under section 15A and P does not accept the offer within the time allowed under section 15C(1) or 15D(1); or
 - (b) a person who requires a review under section 15B does not notify HMRC within the time allowed under that section or section 15D(3).
- (2) HMRC must review the decision if—
 - (a) after the time allowed, P, or the other person, notifies HMRC in writing requesting a review out of time,

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- (b) HMRC are satisfied that P, or the other person, had a reasonable excuse for not accepting the offer or requiring review within the time allowed, and
 - (c) HMRC are satisfied that P, or the other person, made the request without unreasonable delay after the excuse had ceased to apply.
- (3) HMRC shall not be required to review a decision under this section if Condition A is met (see sections 15B(3) and 15C(3)).
- (4) HMRC shall not review a decision if P, or another person, has appealed to the appeal tribunal under section 16 in respect of the decision.

Textual Amendments

F68 Ss. 15A-15F 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. 202** (with Sch. 3 paras. 2-4)

Modifications etc. (not altering text)

- C40** Ss. 14-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), **ss. 182(3)**, 198(1) (with Sch. 29)
- C47** Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 27 para. 2(3)(4)
- C48** Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 27 para. 6(4)(5)
- C49** Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 27 para. 4(3)(4)
- C50** Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), Sch. 27 para. 7(3)(4)
- C51** Ss. 15C-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), **ss. 172(1)**, 198(1) (with Sch. 29)

15F Nature of review etc

- (1) This section applies if HMRC are required to undertake a review under section 15C or 15E.
- (2) The nature and extent of the review are to be such as appear appropriate to HMRC in the circumstances.
- (3) For the purposes of subsection (2) HMRC must, in particular, have regard to steps taken before the beginning of the review—
- (a) by HMRC in making the decision, and
 - (b) by any person who is seeking to resolve disagreement about the decision.
- (4) The review must take account of any representations made by P, or the other person, at a stage which gives HMRC a reasonable opportunity to consider them.
- (5) The review may conclude that the decision is to be—
- (a) upheld,
 - (b) varied, or
 - (c) cancelled.
- (6) HMRC must give P, or the other person, notice of the conclusions of the review and their reasoning within—
- (a) the period of 45 days beginning with the relevant date, or
 - (b) such other period as HMRC and P, or the other person, may agree.
- (7) In subsection (6) “relevant date” means—

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- (a) the date HMRC received P's notification accepting the offer of a review (in a case falling within section 15A),
 - (b) the date HMRC received notification from another person requiring review (in a case falling within section 15B), or
 - (c) the date on which HMRC decided to undertake the review (in a case falling within section 15E).
- (8) Where HMRC are required to undertake a review but do not give notice of the conclusions within the time period specified in subsection (6), the review is to be treated as having concluded that the decision is upheld.
- (9) If subsection (8) applies, HMRC must notify P or the other person of the conclusion which the review is treated as having reached.]

Textual Amendments

F68 Ss. 15A-15F 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. 202** (with [Sch. 3 paras. 2-4](#))

Modifications etc. (not altering text)

- C40** Ss. 14-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), **ss. 182(3), 198(1)** (with [Sch. 29](#))
- C47** Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 27 para. 2\(3\)\(4\)](#)
- C48** Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 27 para. 6\(4\)\(5\)](#)
- C49** Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 27 para. 4\(3\)\(4\)](#)
- C50** Ss. 15C-16 modified (17.7.2014) by [Finance Act 2014 \(c. 26\)](#), [Sch. 27 para. 7\(3\)\(4\)](#)
- C51** Ss. 15C-16 modified (with effect in accordance with s. 198(5) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), **ss. 172(1), 198(1)** (with [Sch. 29](#))

16 Appeals to a tribunal.

- [^{F69}(1) An appeal against a decision on a review under section 15 (not including a deemed confirmation under section 15(2)) may be made to an appeal tribunal within the period of 30 days beginning with the date of the document notifying the decision to which the appeal relates.
- (1A) An appeal against a deemed confirmation under section 15(2) may be made to an appeal tribunal within the period of 75 days beginning with the date on which the review was required.
- (1B) Subject to subsections (1C) to (1E), an appeal against a relevant decision (other than any relevant decision falling within subsection (1) or (1A)) may be made to an appeal tribunal within the period of 30 days beginning with—
- (a) in a case where P is the appellant, the date of the document notifying P of the decision to which the appeal relates, or
 - (b) in a case where a person other than P is the appellant, the date the other person becomes aware of the decision, or
 - (c) if later, the end of the relevant period (within the meaning of section 15D).
- (1C) In a case where HMRC are required to undertake a review under section 15C—
- (a) an appeal may not be made until the conclusion date, and

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- (b) any appeal is to be made within the period of 30 days beginning with the conclusion date.

[^{F70}(1D) In a case where HMRC are requested to undertake a review in accordance with section 15E—

- (a) an appeal may not be made to an appeal tribunal—
 - (i) unless HMRC have notified P, or the other person, as to whether or not a review will be undertaken, and
 - (ii) if HMRC have notified P, or the other person, that a review will be undertaken, until the conclusion date;
- (b) any appeal where paragraph (a)(ii) applies is to be made within the period of 30 days beginning with the conclusion date;
- (c) if HMRC have notified P, or the other person, that a review will not be undertaken, an appeal may be made only if the appeal tribunal gives permission to do so.]

(1E) In a case where section 15F(8) applies, a notice of appeal may be made at any time from the end of the period specified in section 15F(6) to the date 30 days after the conclusion date.

(1F) An appeal may be made after the end of the period specified in subsection (1), (1A), (1B), (1C)(b), (1D)(b) or (1E) if the appeal tribunal gives permission to do so.

(1G) In this section “conclusion date” means the date of the document notifying the conclusion of the review]

- (2) An appeal under this section [^{F71}with respect to a decision falling within subsection (1) or (1A)] shall not be entertained unless the appellant is the person who required the review in question.

[^{F72}(2A) An appeal under this section with respect to a relevant decision (other than any relevant decision falling within subsection (1) or (1A)) shall not be entertained unless the appellant is—

- (a) a person whose liability to pay any relevant duty or penalty is determined by, results from or is or will be affected by the relevant decision,
- (b) a person in relation to whom, or on whose application, the relevant decision has been made, or
- (c) a person on whom the conditions, limitations, restrictions, prohibitions or other requirements to which the relevant decision relates are or are to be imposed or applied.]

(3) [^{F73}An appeal which relates to a relevant decision falling within any of paragraphs (a) to (h) of section 13A(2), or which relates to a decision on a review of any such relevant decision, shall not be entertained if the amount of relevant duty which HMRC have determined to be payable in relation to that decision has not been paid or deposited with them unless—]

- (a) the Commissioners have, on the application of the appellant, issued a certificate stating either—
 - (i) that such security as appears to them to be adequate has been given to them for the payment of that amount; or
 - (ii) that, on the grounds of the hardship that would otherwise be suffered by the appellant, they either do not require the giving of security for

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the payment of that amount or have accepted such lesser security as they consider appropriate;

or

- (b) the tribunal to which the appeal is made decide that the Commissioners should not have refused to issue a certificate under paragraph (a) above and are satisfied that such security (if any) as it would have been reasonable for the Commissioners to accept in the circumstances has been given to the Commissioners.

[^{F74}(3A) Subsection (3) above shall not apply if the appeal arises out of an assessment under [^{F75}section 78 or 79 of the Finance (No. 2) Act 2023 (alcohol duty: certain reliefs or exemptions for spirits)].]

[^{F76}(3B) Sections 85 and 85B of the Value Added Tax Act 1994 (settling of appeals by agreement and payment of tax where there is a further appeal) shall have effect as if—

- (a) the references to section 83 of that Act included references to this section, and
- (b) the references to value added tax included references to any relevant duty.]

(4) In relation to any decision as to an ancillary matter, or any decision on the review of such a decision, the powers of an appeal tribunal on an appeal under this section shall be confined to a power, where the tribunal are satisfied that the Commissioners or other person making that decision could not reasonably have arrived at it, to do one or more of the following, that is to say—

- (a) to direct that the decision, so far as it remains in force, is to cease to have effect from such time as the tribunal may direct;
- (b) to require the Commissioners to conduct, in accordance with the directions of the tribunal, [^{F77}a review or further review as appropriate] of the original decision; and
- (c) in the case of a decision which has already been acted on or taken effect and cannot be remedied by [^{F77}a review or further review as appropriate] , to declare the decision to have been unreasonable and to give directions to the Commissioners as to the steps to be taken for securing that repetitions of the unreasonableness do not occur when comparable circumstances arise in future.

(5) In relation to other decisions, the powers of an appeal tribunal on an appeal under this section shall also include power to quash or vary any decision and power to substitute their own decision for any decision quashed on appeal.

(6) On an appeal under this section the burden of proof as to—

- (a) the matters mentioned in subsection (1)(a) and (b) of section 8 above,
- (b) the question whether any person has acted knowingly in using any substance or liquor in contravention of section 114(2) of the Management Act, and
- (c) the question whether any person had such knowledge or reasonable cause for belief as is required for liability to a penalty to arise under section 22(1) [^{F78}(1AA), (1AB)] [^{F79}or (1AC)] or 23(1) of the ^{M8}Hydrocarbon Oil Duties Act 1979 (use of fuel substitute or road fuel gas on which duty not paid),

shall lie upon the Commissioners; but it shall otherwise be for the appellant to show that the grounds on which any such appeal is brought have been established.

(7) An appeal tribunal shall not, by virtue of anything contained in this section, have any power, apart from their power in pursuance of section 8(4) above, to mitigate the amount of any penalty imposed under this Chapter.

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(8) [^{F80}Subject to subsection (9) below] references in this section to a decision as to an ancillary matter are references to any decision of a description specified in Schedule 5 to this Act which is not comprised in a decision falling within [^{F81}section 13A(2)(a) to (h)] above.

[^{F82}(9) References in this section to a decision as to an ancillary matter do not include a reference to a decision of a description specified in [^{F83}the following paragraphs of Schedule 5—

- (a) paragraph 3(4);
- (b) paragraph 4(3);
- (c) paragraph 9(e);
- (d) paragraph 9A.]

(10) Nothing in this section shall be taken to confer on an appeal tribunal any power to vary an amount of interest specified in an assessment under paragraph 11A of Schedule 6 to this Act except in so far as it is necessary to reduce it to the amount which is appropriate under paragraph 7 of that Schedule.]

^{F84}(11)

^{F84}(12)

Textual Amendments

- F69** S. 16(1)-(1G) substituted for s. 16(1) (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. 203(2)** (with Sch. 3 paras. 2-4)
- F70** S. 16(1D) substituted (1.6.2014) by [The Revenue and Customs \(Amendment of Appeal Provisions for Out of Time Reviews\) Order 2014](#) (S.I. 2014/1264), arts. 1(2), **2** (with art. 1(3))
- F71** Words in s. 16(2) 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. 203(3)** (with Sch. 3 paras. 2-4)
- F72** S. 16(2A) 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. 203(4)** (with Sch. 3 paras. 2-4)
- F73** Words in s. 16(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. 203(5)** (with Sch. 3 paras. 2-4)
- F74** S. 16(3A) inserted (1.10.1998) by 1998 c. 36, s. 20, Sch. 2 paras. 11, **12**; S.I. 1998/2243, **art. 2**
- F75** Words in s. 16(3A) substituted (1.8.2023) by Finance (No. 2) Act 2023 (c. 30), s. 120(2), **Sch. 13 para. 12**; S.I. 2023/884, **reg. 2(1)(j)** (with reg. 10)
- F76** S. 16(3B) 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. 203(6)** (with Sch. 3 paras. 2-4)
- F77** Words in s. 16(4)(b)(c) 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. 203(7)** (with Sch. 3 paras. 2-4)
- F78** Words in s. 16(6)(c) inserted (15.9.2016 for specified purposes, 14.11.2016 in so far as not already in force) by [Finance Act 2016](#) (c. 24), Sch. 16 para. 14, **Sch. 17 para. 13**
- F79** Words in s. 16(6)(c) inserted (15.9.2016 for specified purposes, 14.11.2016 in so far as not already in force) by [Finance Act 2016](#) (c. 24), Sch. 16 para. 14, **Sch. 17 para. 10**
- F80** Words in s. 16(8) inserted (1.5.1995) by 1995 c. 4, s. **16(3)(4)**
- F81** Words in s. 16(8) 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. 203(8)** (with Sch. 3 paras. 2-4)
- F82** S. 16(9)(10) inserted (1.5.1995) by 1995 c. 4, s. **16(3)(4)**
- F83** S. 16(9)(a)-(d) and the preceding words substituted for words in s. 16(9) (1.11.2001) by 2001 c. 9, s. **15**, **Sch. 3 para. 16**; S.I. 2001/3300, **art. 3**
- F84** S. 16(11)(12) omitted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by virtue of [Taxation \(Cross-border Trade\) Act 2018](#) (c. 22), s. 57(1)(a), **Sch. 7 para. 143** (with

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savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)

Modifications etc. (not altering text)

- C37** Ss. 14-16 modified (1.7.2005) by Finance Act 1995 (c. 4), s. 5(4)(6); S.I. 2005/1523, art. 2 (with art. 3)
- C38** Ss. 14-16 applied by 1981 c. 63, s. 26M(1) (as inserted (with effect in accordance with s. 8(2) of the amending Act) by Finance Act 2007 (c. 11), Sch. 1 para. 2; S.I. 2007/2172, art. 2)
- C39** Ss. 14-16 applied by 1981 c. 63, s. 26M(2)-(4) (as inserted (with effect in accordance with s. 8(2) of the amending Act) by Finance Act 2007 (c. 11), Sch. 1 para. 2; S.I. 2007/2172, art. 2)
- C40** Ss. 14-16 modified (with effect in accordance with s. 198(5) of the amending Act) by Finance Act 2014 (c. 26), ss. 182(3), 198(1) (with Sch. 29)
- C47** Ss. 15C-16 modified (17.7.2014) by Finance Act 2014 (c. 26), Sch. 27 para. 2(3)(4)
- C48** Ss. 15C-16 modified (17.7.2014) by Finance Act 2014 (c. 26), Sch. 27 para. 6(4)(5)
- C49** Ss. 15C-16 modified (17.7.2014) by Finance Act 2014 (c. 26), Sch. 27 para. 4(3)(4)
- C50** Ss. 15C-16 modified (17.7.2014) by Finance Act 2014 (c. 26), Sch. 27 para. 7(3)(4)
- C51** Ss. 15C-16 modified (with effect in accordance with s. 198(5) of the amending Act) by Finance Act 2014 (c. 26), ss. 172(1), 198(1) (with Sch. 29)
- C52** S. 16 applied (1.6.1995) by S.I. 1995/1046, reg. 7(3)
S. 16 applied (1.5.1995 with effect as mentioned in 1995 c. 4, s. 14(2)) by 1981 c. 63, Sch. 4 para. 7A(5) (as inserted by 1995 c. 4, s. 14, Sch. 3 para. 11(5))
S. 16 applied (*prosp.*) by 1995 c. 4, s. 5(4)(6)
S. 16 applied (19.3.1997) by 1997 c. 16, ss. 11(7), 13(1), 15, 50(1), Sch. 1 paras. 8(11), 9(5), Sch. 5 para. 19(1)
- C53** S. 16 modified (29.10.2020 for specified purposes, 31.12.2020 in so far as not already in force) by S.I. 2018/1248, reg. 29B(8)(b) (as inserted by The Customs (Transitional Arrangements) (EU Exit) Regulations 2020 (S.I. 2020/1088), regs. 1(2)(4), 3(5); S.I. 2020/1643, reg. 2, Sch.)
- C54** S. 16 modified (31.12.2020) by The Customs (Managed Transition Procedure) (EU Exit) Regulations 2019 (S.I. 2019/487), regs. 1(2)(3), 8(7)(b) (with reg. 11); S.I. 2020/1643, reg. 2, Sch.
- C55** S. 16 modified (31.12.2020) by The Customs (Managed Transition Procedure) (EU Exit) Regulations 2019 (S.I. 2019/487), regs. 1(2)(3), 3(7)(b) (with reg. 7); S.I. 2020/1643, reg. 2, Sch.
- C56** S. 16(4) modified (1.10.1995) by S.I. 1995/2351, reg. 3
S. 16(4) modified (24.3.1997) by S.I. 1997/534, regs. 4, 6

Commencement Information

- I10** S. 16 wholly in force at 1.1.1995; s. 16 not in force at Royal Assent see s. 19(1); s. 16 (except s. 16(6)(a)(b)) in force for certain purposes at 1.11.1994 by S.I. 1994/2679, art. 2, Sch.; s. 16 in force at 1.1.1995 insofar as not already in force by S.I. 1994/2679, art. 3

Marginal Citations

- M8** 1979 c. 5.

[^{F85}16A Temporary approvals etc pending review or appeal: eligibility

- (1) Section 16B applies where HMRC notify P of an approval decision and—
 - (a) HMRC are required to review the decision under section 15C or 15E, or
 - (b) the decision, or the decision on a review under that section, has been appealed to an appeal tribunal under section 16.
- (2) An approval decision is a decision as to whether or not, and in which respects, any person or place (as the case may be) is to be or is to continue to be—
 - (a) approved under section 92 of CEMA 1979 (warehousekeepers and owners of warehouses goods regime: approval of excise warehouses);

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- (b) approved and registered under section 100G of CEMA 1979 by virtue of—
 - (i) regulation 3 of the Warehousekeepers and Owners of Warehoused Goods Regulations 1999 (S.I. 1999/1278) (authorized warehousekeepers);
 - (ii) regulation 5 of those Regulations (registered owners);
 - (iii) regulation 6 of those Regulations (duty representatives);
 - (iv) regulation 4 of the Hydrocarbon Oil (Registered Dealers in Controlled Oil) Regulations 2002 (S.I. 2002/3057) (registered dealers in controlled oil);
 - (c) approved and registered to carry on a controlled activity under [F86section 100 of the Finance (No. 2) Act 2023] (alcohol wholesalers registration scheme);
 - (d) approved to carry on a controlled activity under section 8L of TPDA 1979 (raw tobacco scheme);
 - (e) approved and registered under section 49 F(No.2)A 2017 (fulfilment houses due diligence scheme);
 - (f) licensed to carry out a regulated activity under the Tobacco Products Manufacturing Machinery (Licensing Scheme) Regulations 2018 (S.I. 2018/75) (tobacco machinery scheme).
- (3) The Commissioners may by regulations made by statutory instrument amend subsection (2) so as to add, vary or remove a paragraph of that subsection.
- (4) A statutory instrument containing regulations under subsection (3) is subject to annulment in pursuance of a resolution of the House of Commons.

Textual Amendments

- F85** Ss. 16A-16C inserted (5.7.2021) by [Finance Act 2021 \(c. 26\), s. 131\(1\)\(3\)](#) (with [s. 131\(2\)](#)); [S.I. 2021/799, reg. 2](#)
- F86** Words in [s. 16A\(2\)\(c\)](#) substituted (1.8.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 120\(2\), Sch. 13 para. 13](#); [S.I. 2023/884, reg. 2\(1\)\(j\)](#) (with [reg. 10](#))

16B Temporary approvals etc pending review or appeal: process

- (1) On an application by P, HMRC may grant temporary approval if they are satisfied that—
- (a) P has demonstrated that if temporary approval were not granted the review or appeal in respect of the approval decision, or the appeal from a decision on review of that decision, would be rendered nugatory by virtue of P being unable to continue as a going concern or otherwise, and
 - (b) it is appropriate in all the circumstances to grant temporary approval (despite the approval decision).
- (2) In determining whether it would be appropriate to grant temporary approval, HMRC must have regard to—
- (a) the prospect of the review or appeal in respect of the approval decision, or appeal from a decision on review of that decision, being determined in P's favour;
 - (b) any alternative steps available to, and taken by, P to protect P's position pending the final determination of the review or appeal;

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- (c) whether P has acted expeditiously in requiring the review or in bringing and progressing the appeal.
- (3) Subject to any provision made in regulations under section 16C, temporary approval has effect as an approval, registration or licence (as the case may be) under the relevant provision listed in section 16A(2) that—
 - (a) commences on the day on which the application for temporary approval is granted,
 - [^{F87}(b) expires—
 - (i) on the expiry day determined in accordance with subsection (4), or
 - (ii) if HMRC are satisfied that it is appropriate in all the circumstances, on a later day determined by HMRC, and]
 - (c) is subject to any conditions or restrictions imposed on the temporary approval.
- (4) [^{F88}For the purposes of subsection (3)(b)(i), the expiry day in relation to a temporary approval is] —
 - (a) in a case where the approval decision is cancelled on a review, the day on which it is cancelled;
 - (b) in a case where the approval decision is upheld on a review, the last day on which an appeal could be brought against that decision (ignoring any possibility of an appeal brought out of time with permission), unless paragraph (4)(c) applies;
 - (c) in a case where an appeal (other than an appeal brought out of time with permission) is brought in respect of an approval decision or a decision on a review of that decision, the day on which the appeal is finally determined.
- (5) HMRC may revoke a temporary approval, or vary the conditions or restrictions to which it is subject, if they are satisfied that a change in circumstances justifies doing so.
- (6) HMRC may by notice published in such form as HMRC considers appropriate make provision about the timing, form, content and determination of applications under subsection (1).
- (7) Subsection (8) applies if HMRC—
 - (a) refuse an application under subsection (1),
 - (b) grant an application under that subsection subject to conditions or restrictions,
 - (c) vary the conditions or restrictions to which a temporary approval is subject, or
 - (d) revoke a temporary approval, and
 the approval decision, or the decision on a review of that decision under section 15C or 15E, has been appealed to an appeal tribunal under section 16.
- (8) If, on an application by P, the appeal tribunal decides that HMRC should not have (as the case may be)—
 - (a) refused the application,
 - (b) granted the application subject to particular conditions or restrictions,
 - (c) varied the conditions or restrictions to which the temporary approval is subject, or
 - (d) revoked the temporary approval,
 the appeal tribunal may order HMRC to make any decision that it would have been open to HMRC to make under this section.

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- (9) If the appeal tribunal makes an order under subsection (8), HMRC or P may apply to the appeal tribunal to vary or revoke that order.
- (10) HMRC must notify P of any decision to grant or revoke a temporary approval or to vary the conditions or restrictions to which such approval is subject.

Textual Amendments

- F85** Ss. 16A-16C inserted (5.7.2021) by [Finance Act 2021 \(c. 26\), s. 131\(1\)\(3\)](#) (with [s. 131\(2\)](#)); [S.I. 2021/799, reg. 2](#)
- F87** [S. 16B\(3\)\(b\)](#) substituted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 341\(2\)](#)
- F88** Words in [s. 16B\(4\)](#) substituted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 341\(3\)](#)

16C Temporary approvals etc pending review or appeal: modifications

- (1) The Commissioners may by regulations make such provision as they consider appropriate in consequence of provision made in sections 16A and 16B (including by virtue of regulations under section 16A(3)).
- (2) Regulations under this section may amend, repeal, revoke or otherwise modify any enactment.
- (3) Regulations under this section are to be made by statutory instrument.
- (4) A statutory instrument containing regulations under this section which amend, repeal or modify the application of an Act of Parliament must be laid before the House of Commons after being made and, unless approved by that House before the end of the period of 28 days beginning with the date on which the instrument is made, ceases to have effect at the end of that period.
- (5) Any other statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons.
- (6) The fact that a statutory instrument ceases to have effect as a result of subsection (4) does not affect—
- (a) anything previously done under the instrument, or
 - (b) the making of a new instrument.
- (7) In calculating the period of 28 days mentioned in subsection (4), no account is to be taken of any time—
- (a) during which Parliament is dissolved or prorogued, or
 - (b) during which the House of Commons is adjourned for more than four days.
- (8) In this section “enactment” includes an enactment contained in subordinate legislation within the meaning of the Interpretation Act 1978.]

Textual Amendments

- F85** Ss. 16A-16C inserted (5.7.2021) by [Finance Act 2021 \(c. 26\), s. 131\(1\)\(3\)](#) (with [s. 131\(2\)](#)); [S.I. 2021/799, reg. 2](#)

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Supplemental provisions

17 Interpretation.

- (1) Subject to the following provisions of this section, expressions used in this Chapter and in the Management Act have the same meanings in this Chapter as in that Act.
- (2) In this Chapter—
 - “appeal tribunal” shall be construed in accordance with section 7(3) above;
 - “conduct” includes any act, omission or statement;
 - “contravention” includes a failure to comply, and cognate expressions shall be construed accordingly;
 - ^{F89} ...
 - [^{F90}“HMRC” means Her Majesty’s Revenue and Customs;]
 - “the Management Act” means the ^{M9}Customs and Excise Management Act 1979;
 - “relevant duty” [^{F91}means any customs duty] or agricultural levy of the [^{F50}European Union] or any duty of excise; and
 - “subordinate legislation” has the same meaning as in the ^{M10}Interpretation Act 1978.
- (3) For the purposes of this Chapter a contravention consisting in a failure to do something at or before a particular time shall be taken to continue after that time until the thing is done, and references in this Chapter to the remedying of such a contravention shall be construed accordingly.
- (4) References in this Chapter to a duty of excise do not include references to [^{F92}vehicle] excise duty.

Textual Amendments

- F50** Words in Act substituted (22.4.2011) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011 \(S.I. 2011/1043\)](#), arts. 2, 3, 4 (with art. 3(2)(3), 4(2), 6(4)(5))
- F89** Words in s. 17(2) omitted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(1)(a), [Sch. 7 para. 144\(a\)](#) (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)
- F90** Words in s. 17(2) 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. 204](#)
- F91** Words in s. 17(2) substituted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(1)(a), [Sch. 7 para. 144\(b\)](#) (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)
- F92** Word in s. 17(4) substituted (1.9.1994 subject to transitional provisions in [Sch. 4](#) of the amending Act) by [1994 c. 22](#), ss. 63, 66(1), [Sch. 3 para. 32](#) (with s. 57(4))

Commencement Information

- I11** S. 17 wholly in force at 1.1.1995; s. 17 not in force at Royal Assent see s. 19(1); s. 17 in force for certain purposes at 1.11.1994 by [S.I. 1994/2679](#), art. 2, [Sch.](#); s. 17 in force at 1.1.1995 insofar as not already in force by [S.I. 1994/2679](#), art. 3

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Marginal Citations

M9 1979 c. 2.

M10 1978 c. 30.

18 Consequential modifications of enactments.

- (1) Subject to subsection (2) below, references in the Management Act to a penalty shall not include references to a penalty under this Chapter.
- (2) Section 117 of the Management Act (execution and distress against revenue traders) shall have effect—
 - (a) as if any amount assessed as due from any person by way of a penalty under this Chapter^{F93} . . . were an amount of excise duty payable by that person;^{F94} . . .
 - ^{F94}(b)
- (3) Section 127 of the Management Act (determination of disputes as to duties on imported goods) shall cease to have effect;^{F95} . . .
- ^{F96}(4)
- (5) In section 29A(1)(d) of that Act of 1981 (certificate to be evidence of certain matters), for the words “or estimate made in pursuance of this Act” there shall be substituted “ made in pursuance of this Act or in any assessment made under section 12 of the Finance Act 1994 ”.
- (6) In section 35(1)(c) of the ^{M11}Finance Act 1993 (certificate to be evidence of certain matters), for the words “in an estimate made under section 116A of the Customs and Excise Management Act 1979” there shall be substituted “ in any assessment made under section 12 of the Finance Act 1994 ”.
- (7) In section 827 of the Taxes Act 1988 (VAT penalties etc.), after subsection (1) there shall be inserted the following subsection—

“(1A) Where a person is liable to make a payment by way of a penalty under any of sections 8 to 11 of the Finance Act 1994 (penalties relating to excise), that payment shall not be allowed as a deduction in computing any income, profits or losses for any tax purposes.”
- (8) Subsections (1) [^{F97}and (2)] above shall be without prejudice to section 13(5) above; and subsection (7) above shall have effect in relation to any chargeable period ending after the coming into force of the provision which provides for the imposition of the penalty in question.

Textual Amendments

- F93** Words in s. 18(2)(a) repealed (1.7.1997) by 1997 c. 16, s. 113, **Sch. 18 Pt. V(2)**, Note; S.I. 1997/1433, **art. 2**
- F94** S. 18(2)(b) and the preceding word “and” repealed (1.7.1997) by 1997 c. 16, s. 113, **Sch. 18 Pt. V(2)**, Note; S.I. 1997/1433, **art. 2**
- F95** Words in s. 18(3) repealed (1.9.1994 with effect as mentioned in s. 101(1) of the amending Act) by 1994 c. 23, s. 100(2), **Sch. 15**
- F96** S. 18(4) repealed (1.7.1997) by 1997 c. 16, s. 113, **Sch. 18 Pt. V(2)**, Note; S.I. 1997/1433, **art. 2**
- F97** Words in s. 18(8) substituted (1.7.1997) by 1997 c. 16, s. 53(4)(9); S.I. 1997/1432, **art. 2**

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Commencement Information

- I12** S. 18 wholly in force at 1.1.1995; s. 18 not in force at Royal Assent see s. 19(1); s. 18(1)(2)(7)(8) in force for certain purposes at 1.11.1994 by [S.I. 1994/2679](#), [art. 2](#), [Sch.](#); s. 18 in force at 1.1.1995 insofar as not already in force by [S.I. 1994/2679](#), [art. 3](#)

Marginal Citations

- M11** [1993 c. 34](#).

19 Commencement of Chapter.

- (1) Subject to section 18(8) above, this Chapter shall come into force on such day as the Commissioners may by order made by statutory instrument appoint, and different days may be appointed under this subsection for different provisions and for different purposes.
- (2) An order under this section may make such transitional provision and savings as appear to the Commissioners to be appropriate in connection with the bringing into force by such an order of any provision of this Chapter.
- (3) Nothing in any provision of this Chapter shall, in respect of conduct occurring before the coming into force of that provision, impose or affect any liability to any civil or criminal penalty or any liability of goods to forfeiture.

Subordinate Legislation Made

- P1** S. 19 power partly exercised: 1.7.1994 appointed for specified provisions by [S.I. 1994/1690](#), [art. 2](#)
S. 19 power partly exercised: 31.8.1994 appointed for specified provision by [S.I. 1994/2143](#), [art. 2](#)
S. 19 power partly exercised: different dates appointed for specified provisions by [S.I. 1994/2679](#), [arts. 2, 3](#)

Commencement Information

- I13** S. 19 wholly in force at 1.1.1995; s. 19 not in force at Royal Assent see s. 19(1); s. 19 in force at 1.1.1995 by [S.I. 1994/2679](#), [art. 3](#)

CHAPTER III

CUSTOMS: ENFORCEMENT POWERS

20 Interpretation, etc.

- (1) This Chapter applies to any person carrying on a trade or business which consists of or includes any of the following activities—
 - (a) importing or exporting any goods of a class or description subject to a duty of customs (whether or not in fact chargeable with that duty);
 - (b) producing, manufacturing or applying a process to them;
 - (c) buying, selling or dealing in them;
 - (d) handling or storing them;
 - (e) financing or facilitating any activity mentioned in paragraphs (a) to (d) above.

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- (2) In subsection (1) above “duty of customs” includes any agricultural levy of the ^{F50}European Union] .
- (3) In this Chapter—
- (a) “customs goods” means any goods mentioned in paragraph (a) of subsection (1) above; and
 - (b) any reference to the business of a person to whom this Chapter applies is a reference to the trade or business carried on by him as mentioned in that subsection.
- (4) This Chapter shall have effect and be construed as if it were contained in the ^{M12}Customs and Excise Management Act 1979.
- (5) In consequence of the provision made by sections 21 to 27 below, any power under—
- (a) section 75A, 75B or 75C of the Customs and Excise Management Act 1979 to require a person importing or exporting goods to keep or preserve records, or
 - (b) section 77A, 77B or 77C of that Act to require a person to furnish information or produce documents relating to imported or exported goods,
- shall cease to be exercisable in relation to a person to the extent that the goods in question are customs goods.

Textual Amendments

F50 Words in Act substituted (22.4.2011) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011 \(S.I. 2011/1043\)](#), arts. 2, 3, 4 (with art. 3(2)(3), 4(2), 6(4)(5))

Marginal Citations

M12 1979 c. 2.

21 Requirements about keeping records.

- (1) The Commissioners may by regulations require any person to whom this Chapter applies—
- (a) to keep such records as may be prescribed in the regulations; and
 - (b) to preserve those records—
 - (i) for such period not exceeding four years as may be prescribed in the regulations, or
 - (ii) for such lesser period as the Commissioners may require.
- (2) The Commissioners may also require any person mentioned in subsection (3) below—
- (a) to keep such records as they may specify; and
 - (b) to preserve those records for such period not exceeding four years as they may require.
- (3) The person referred to is any person who—
- (a) is not carrying on a trade or business which consists of or includes the importation or exportation of customs goods, but
 - (b) is concerned in some other capacity in such importation or exportation.

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- (4) A duty imposed under subsection (1)(b) or (2)(b) above to preserve records may be discharged by the preservation of the information contained in them by such means as the Commissioners may approve.
- (5) On giving approval under subsection (4) above, the Commissioners may impose such reasonable requirements as appear to them necessary for securing that the information will be as readily available to them as if the records themselves had been preserved.
- (6) Regulations under this section may—
 - (a) make different provision for different cases; and
 - (b) be framed by reference to such records as may be specified in any notice published by the Commissioners in pursuance of the regulations and not withdrawn by a further notice.
- (7) Any person who fails to comply with a requirement imposed by virtue of this section shall be liable on summary conviction to a penalty not exceeding level 3 on the standard scale.

22 Records and rules of evidence.

- (1) Where any information is preserved by approved means as mentioned in section 21(4) above, a copy of any document in which it is contained shall, subject to subsection (2) below, be admissible in evidence in any proceedings, whether civil or criminal, to the same extent as the records themselves.
- (2) A statement contained in a document produced by a computer shall not by virtue of subsection (1) above be admissible in evidence—
 - ^{F98}(a)
 - ^{F99}(b)
 - (c) in civil proceedings in Scotland, except in accordance with sections 5 and 6 of the ^{M13}Civil Evidence (Scotland) Act 1988;
 - (d) in criminal proceedings in Scotland, except in accordance with [^{F100}Schedule 8 to the Criminal Procedure (Scotland) Act 1995];
 - ^{F101}(e)
 - ^{F102}(f)

Textual Amendments

- F98** S. 22(2)(a) repealed (31.1.1997) by 1995 c. 38, s. 15(2), **Sch. 2**; S.I. 1996/3217, **art. 2**
- F99** S. 22(2)(b) repealed (4.4.2005) by Criminal Justice Act 2003 (c. 44), s. 336(3)(4), **Sch. 37 Pt. 6**; S.I. 2005/950, **art. 2(1)**, **Sch. 1 para. 44(3)** (with **Sch. 2**) (as explained (29.7.2005) by S.I. 2005/2122, **art. 2**; and as amended: (14.7.2008) by 2008 c. 4, **Sch. 26 para. 78**, **Sch. 28 Pt. 2**; S.I. 2008/1586, **Sch. 1 paras. 48(s)**, **50(2)(d)**; (30.11.2009) by S.I. 2009/3111, **art. 2**; (3.12.2012) by S.I. 2012/2905, **art. 4**; (3.12.2012) by 2012 c. 10, **Sch. 14 para. 17**; S.I. 2012/2906, **art. 2(1)**)
- F100** Words in s. 22(2) substituted (1.4.1996) by 1995 c. 40, s. 5, **Sch. 4 para. 89(2)**
- F101** S. 22(2)(e) repealed (6.9.1999) by S.I. 1997/2983 (N.I. 21), **arts. 1(2)**, **3(2)**, **Sch. 2**; S.R. 1999/339, **art. 2**
- F102** S. 22(2)(f) repealed (N.I.) (3.4.2006) by The Criminal Justice (Evidence) (Northern Ireland) Order 2004 (S.I. 2004/1501), **art. 1(3)**, **Sch. 2** (with **art. 43**); S.R. 2006/63, **art. 2**

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Marginal Citations

M13 1988 c. 32.

23 Furnishing of information and production of documents.

- (1) Every person to whom this Chapter applies shall furnish the Commissioners, within such time and in such form as they may reasonably require, with such information relating to his business as they may reasonably specify.
- (2) Every person to whom this Chapter applies shall, if required to do so by an officer, produce or cause to be produced for inspection by the officer—
 - (a) at that person's principal place of business or at such other place as the officer may reasonably require, and
 - (b) at such time as the officer may reasonably require, any documents which relate to his business.
- (3) Where it appears to an officer that any documents which relate to a business of a person to whom this Chapter applies are in the possession of another person, the officer may require that other person, at such time and place as the officer may reasonably require, to produce those documents or cause them to be produced.
- (4) For the purposes of this section, the documents which relate to a business of a person to whom this Chapter applies shall be taken to include—
 - (a) any profit and loss account and balance sheet, and
 - (b) any documents required to be kept by virtue of section 21(1) above.
- (5) Every person mentioned in section 21(3) above shall furnish the Commissioners, within such time and in such form as they may reasonably require, with such information relating to the importation or exportation of customs goods in which he is concerned as they may reasonably specify.
- (6) Every person mentioned in section 21(3) above shall, if required to do so by an officer, produce or cause to be produced for inspection by the officer at such time and place as the officer may reasonably require, any documents which relate to the importation or exportation of customs goods in which he is concerned.
- (7) An officer may take copies of, or make extracts from, any document produced under this section.
- (8) If it appears to an officer to be necessary to do so, he may, at a reasonable time and for a reasonable period, remove any document produced under this section.
- (9) Where a document is removed under subsection (8) above—
 - (a) if the person from whom the document is removed so requests, he shall be given a record of what was removed;
 - (b) if the document is reasonably required for the proper conduct of any business, the person by whom the document was produced or caused to be produced shall be provided as soon as practicable with a copy of the document free of charge;
 - (c) if the document is lost or damaged, the Commissioners shall be liable to compensate the owner of it for any expenses reasonably incurred by him in replacing or repairing it.

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- (10) If a person claims a lien on any document produced by him under subsection (3) or (6) above—
- (a) the production of the document shall be without prejudice to the lien; and
 - (b) the removal of the document under subsection (8) above shall not be regarded as breaking the lien.
- (11) Any person who fails to comply with a requirement imposed under this section shall be liable on summary conviction to a penalty not exceeding level 3 on the standard scale.

Modifications etc. (not altering text)

- C57** S. 23 applied (31.12.2020) by [The Customs Transit Procedures \(EU Exit\) Regulations 2018 \(S.I. 2018/1258\)](#), art. 1(2), **Sch. 2 para. 29(2)** (as amended (31.12.2020) by [The Customs \(Northern Ireland\) \(EU Exit\) Regulations 2020 \(S.I. 2020/1605\)](#), regs. 1(1), **39(2)(x)(ii)**); S.I. 2020/1643, reg. 2, **Sch.**
- C58** S. 23 applied (31.12.2020) by [The Customs Transit Procedures \(EU Exit\) Regulations 2018 \(S.I. 2018/1258\)](#), art. 1(2), **Sch. 1 para. 58(3)**; S.I. 2020/1643, reg. 2, **Sch.**
- C59** S. 23 applied (31.12.2020) by [The Customs Transit Procedures \(EU Exit\) Regulations 2018 \(S.I. 2018/1258\)](#), art. 1(2), **Sch. 3 para. 12(2)**; S.I. 2020/1643, reg. 2, **Sch.**

24 Power of entry.

- [^{F103}(1)] [^{F104}This section applies] where an officer has reasonable cause to believe that—
- (a) any premises are used in connection with a business of a person to whom this Chapter applies, and
 - (b) any customs goods are on those premises,
- ^{F105} ...
- [^{F106}(2) The officer may at any reasonable time enter and inspect the premises.
- (3) The officer may inspect, examine and take account of any goods found on the premises.
 - (4) The officer may require a relevant person to provide any assistance that is reasonable for the purpose of exercising the power in subsection (3).
 - (5) For example, the officer may require a relevant person to move, open or unpack goods and containers.
 - (6) The officer may, for the purpose of exercising the power in subsection (3)—
 - (a) move, open, or unpack goods and containers;
 - (b) search containers and anything in them;
 - (c) mark goods and containers.
 - (7) The Commissioners are not to bear any costs incurred by a relevant person in complying with a requirement under subsection (4).
 - (8) But the Commissioners are to bear the costs of anything done by the officer under subsection (6).
 - (9) In this section “relevant person” means—
 - (a) the person to whom this Chapter applies;

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- (b) the occupier of the premises;
- (c) a person who has (or appears to have) possession or control of the goods;
- (d) a person who is (or appears to be) acting on behalf of a person within any of paragraphs (a) to (c).

(10) Section 159(2) of the Customs and Excise Management Act 1979 (examinations of goods to be at a place appointed by the Commissioners) does not apply to an examination under subsection (3).]

Textual Amendments

- F103** S. 24(1): s. 24 renumbered as s. 24(1) (15.3.2018) by [Finance Act 2018 \(c. 3\), s. 46\(2\)](#)
F104 Words in s. 24(1) inserted (15.3.2018) by [Finance Act 2018 \(c. 3\), s. 46\(3\)\(a\)](#)
F105 Words in s. 24(1) omitted (15.3.2018) by virtue of [Finance Act 2018 \(c. 3\), s. 46\(3\)\(b\)](#)
F106 S. 24(2)-(10) inserted (15.3.2018) by [Finance Act 2018 \(c. 3\), s. 46\(4\)](#)

25 Order for production of documents.

- (1) Where, on an application by an officer, a justice is satisfied that there are reasonable grounds for believing—
- (a) that an offence in connection with a duty of customs is being, has been or is about to be committed, and
 - (b) that any information or documents which may be required as evidence for the purpose of any proceedings in respect of such an offence is in the possession of any person,
- he may make an order under this section.
- (2) An order under this section is an order that the person who appears to the justice to be in possession of the information or documents to which the application relates shall—
- (a) furnish an officer with the information or produce the document,
 - (b) permit an officer to take copies of or make extracts of any document produced, and
 - (c) permit an officer to remove any document which he reasonably considers necessary,
- not later than the end of the period of seven days beginning with the date of the order or the end of such longer period as the order may specify.
- (3) In this section “justice” means a justice of the peace or, in relation to Scotland, a justice within the meaning of ^{F107}section 308 of the Criminal Procedure (Scotland) Act 1995].

Textual Amendments

- F107** Words in s. 25(3) substituted (1.4.1996) by [1995 c. 40, s. 5, Sch. 4 para. 89\(3\)](#)

26 Procedure when documents are removed.

- (1) An officer who removes any document in the exercise of a power conferred under section 25 above shall, if so requested by a person showing himself—
- (a) to be the occupier of premises from which it was removed, or
 - (b) to have had custody or control of it immediately before the removal,

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provide that person with a record of what he removed.

- (2) The officer shall provide the record within a reasonable time from the making of the request for it.
- (3) Subject to subsection (7) below, if a request for permission to be granted access to any document which—
 - (a) has been removed by an officer, and
 - (b) is retained by the Commissioners for the purposes of investigating an offence, is made to the officer in charge of the investigation by a person who had custody or control of the document immediately before it was so removed or by someone acting on behalf of such a person, the officer shall allow the person who made the request access to it under the supervision of an officer.
- (4) Subject to subsection (7) below, if a request for a photograph or copy of any such document is made to the officer in charge of the investigation by a person who had custody or control of the document immediately before it was so removed, or by someone acting on behalf of such a person, the officer shall—
 - (a) allow the person who made the request access to it under the supervision of an officer for the purpose of photographing it or copying it, or
 - (b) photograph or copy it, or cause it to be photographed or copied.
- (5) Where any document is photographed or copied under subsection (4)(b) above, the photograph or copy shall be supplied to the person who made the request.
- (6) The photograph or copy shall be supplied within a reasonable time from the making of the request.
- (7) There is no duty under this section to grant access to, or to supply a photograph or copy of, any document if the officer in charge of the investigation for the purposes of which it was removed has reasonable grounds for believing that to do so would prejudice—
 - (a) that investigation;
 - (b) the investigation of an offence other than the offence for the purposes of the investigation of which the document was removed; or
 - (c) any criminal proceedings which may be brought as a result of—
 - (i) the investigation of which he is in charge; or
 - (ii) any such investigation as is mentioned in paragraph (b) above.
- (8) Any reference in this section to the officer in charge of the investigation is a reference to the person whose name and address are endorsed on the order concerned as being the officer in charge of it.

27 Failure of officer to comply with requirements under section 26.

- (1) Where, on an application made as mentioned in subsection (2) below, the appropriate judicial authority is satisfied that a person has failed to comply with a requirement imposed by section 26 above, the authority may order that person to comply with the requirement within such time and in such manner as may be specified in the order.
- (2) An application under subsection (1) above shall be made—
 - (a) in the case of a failure to comply with any of the requirements imposed by subsections (1) and (2) of section 26 above, by the occupier of the premises

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- from which the document in question was removed or by the person who had custody or control of it immediately before it was so removed, and
- (b) in any other case, by the person who has such custody or control.
- (3) In this section “the appropriate judicial authority” means—
- (a) in England and Wales, a magistrates’ court;
- (b) in Scotland, the sheriff; and
- (c) in Northern Ireland, a court of summary jurisdiction, as defined in Article 2(2) (a) of the ^{M14}Magistrates’ Courts (Northern Ireland) Order 1981.
- (4) Any application for an order under this section—
- (a) in England and Wales, shall be made by way of complaint; or
- (b) in Northern Ireland, shall be made by way of civil proceedings upon complaint.
- (5) Sections 21 and 42(2) of the ^{M15}Interpretation Act (Northern Ireland) 1954 (rules and orders regulating procedure of courts etc and assignment of business to particular courts) shall apply as if any reference in those provisions to any enactment included a reference to this section.

Marginal Citations

M14 [S.I. 1981/1675 \(N.I. 26\)](#).

M15 [1954 c. 33 \(N.I.\)](#).

CHAPTER IV

AIR PASSENGER DUTY

The duty

28 Air passenger duty.

- (1) A duty to be known as air passenger duty shall be charged in accordance with this Chapter on the carriage on a chargeable aircraft of any chargeable passenger.
- (2) Subject to the provisions of this Chapter about accounting and payment, the duty in respect of any carriage on an aircraft of a chargeable passenger—
- (a) becomes due when the aircraft first takes off on the passenger’s flight, and
- (b) shall be paid by the operator of the aircraft.
- [^{F108}(3) Sections 29 and 29A below set out how to determine if an aircraft is a chargeable aircraft for the purposes of this Chapter.]
- (4) Subject to sections 31 and 32 below, every passenger on an aircraft is a chargeable passenger for the purposes of this Chapter if his flight begins at an airport in [^{F109}England, Wales or Northern Ireland].
- (5) In this Chapter, “flight”, in relation to any person, means his carriage on an aircraft; and for the purposes of this Chapter, a person’s flight is to be treated as beginning when he first boards the aircraft and ending when he finally disembarks from the aircraft.

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Textual Amendments

- F108** S. 28(3) substituted (17.7.2012) (with effect in accordance with Sch. 23 para. 23 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), **Sch. 23 para. 17**
- F109** Words in s. 28(4) substituted (with effect in accordance with s. 17(7) of the amending Act) by [Scotland Act 2016 \(c. 11\)](#), **ss. 17(4), 72(3)**

29 Chargeable aircraft.

- [^{F110}(1) For the purposes of this Chapter an aircraft is a chargeable aircraft if—
- (a) it is a fixed-wing aircraft designed or adapted to carry persons in addition to the flight crew,
 - (b) its authorised take-off weight is not less than 5.7 tonnes, and
 - (c) it is fuelled by kerosene (as defined in section 1(8) of the Hydrocarbon Oil Duties Act 1979).]
- (2) In this section “take-off weight”, in relation to an aircraft, means the total weight of the aircraft and its contents when taking off; and for the purposes of this section the authorised take-off weight of an aircraft is less than [^{F111}5.7] tonnes if—
- (a) there is a certificate of airworthiness in force in respect of the aircraft showing that the maximum authorised take-off weight (assuming the most favourable circumstances for take-off) is less than [^{F111}5.7] tonnes, or
 - (b) the Commissioners are satisfied that the aircraft is not designed or adapted to take off when its take-off weight is [^{F111}5.7] tonnes or more (assuming the most favourable circumstances for take-off) or the aircraft belongs to a class or description of aircraft in respect of which the Commissioners are so satisfied.
- [^{F112}(3)]
- (4) In this section “certificate of airworthiness” has the same meaning as in the Air Navigation Order.

Textual Amendments

- F110** S. 29(1) substituted (17.7.2012) (with effect in accordance with Sch. 23 para. 23 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), **Sch. 23 para. 18(2)**
- F111** Word in s. 29(2) substituted (17.7.2012) (with effect in accordance with Sch. 23 para. 23 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), **Sch. 23 para. 18(3)**
- F112** S. 29(3) omitted (17.7.2012) (with effect in accordance with Sch. 23 para. 23 of the amending Act) by virtue of [Finance Act 2012 \(c. 14\)](#), **Sch. 23 para. 18(4)**

[^{F113}29A Chargeable aircraft: exceptions

- (1) This section applies for the purposes of this Chapter.
- (2) An aircraft is not a chargeable aircraft whenever its operation falls within an exemption set out in sub-paragraph (b), (c), (f) or (g) under the category of activity “Aviation” in Annex I to Directive [2003/87/EC](#) of the European Parliament and of the Council of 13 October 2003 (as amended by Directive [2008/101/EC](#) of the European Parliament and of the Council of 19 November 2008).

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- (3) Those exemptions are to be read in accordance with paragraphs 2.2 to 2.5 of the Annex to Commission Decision [2009/450/EC](#) of 8 June 2009.
- (4) An aircraft is not a chargeable aircraft whenever it is being operated under a public service obligation imposed under Article 16 of Regulation [\(EC\) No 1008/2008](#) of the European Parliament and of the Council of 24 September 2008 (common rules for the operation of air services).]

Textual Amendments

F113 S. 29A inserted (17.7.2012) (with effect in accordance with Sch. 23 para. 23 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 23 para. 19](#)

[^{F114}30 The rate of duty.

- (1) Air passenger duty is chargeable on the carriage of each chargeable passenger at the rate determined as follows.
- [^{F115}(1A) Subsection (1) does not apply to the carriage of a chargeable passenger to which section 30A below (Northern Ireland long haul [^{F116}and ultra-long haul] rates of duty) applies.]
- [^{F117}(1B) If the passenger's journey ends at a place in the United Kingdom—
- (a) if the passenger's agreement for carriage provides for standard class travel in relation to every flight on the passenger's journey, the rate is £6.50, and
- (b) in any other case, the rate is £13.]
- (2) If the passenger's journey ends at a place in ^{F118}... a territory specified in Part 1 of Schedule 5A—
- (a) if the passenger's agreement for carriage provides for standard class travel in relation to every flight on the passenger's journey, the rate is [^{F119}£13], and
- (b) in any other case, the rate is [^{F120}£26].
- [^{F121}(2A) If the passenger's journey ends at a place in a territory specified in Part 1A of Schedule 5A—
- (a) if the passenger's agreement for carriage provides for standard class travel in relation to every flight on the passenger's journey, the rate is £87, and
- (b) in any other case, the rate is £191.]
- ^{F122}(3)
- ^{F122}(4)
- (4A) If the passenger's journey ends at any other place—
- (a) if the passenger's agreement for carriage provides for standard class travel in relation to every flight on the passenger's journey, the rate is [^{F123}£91], and
- (b) in any other case, the rate is [^{F124}£200].]
- ^{F125}(4B)
- ^{F125}(4C)
- ^{F125}(4D)

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[^{F126}(4E) In relation to the carriage of a chargeable passenger on an aircraft to which subsection (4F) applies—

[if the rate which (apart from this subsection) would apply is the rate in
^{F127}(za) subsection (1B)(a) or (b), a rate of £78 is to apply instead,]

(a) if the rate which (apart from this subsection) would apply is the rate in subsection (2)(a) or (b), a rate [^{F128}of £78] is to apply instead, ^{F129}...

[if the rate which (apart from this subsection) would apply is the rate in
^{F130}(aa) subsection (2A)(a) or (b), a rate of £574 is to apply instead, and]

^{F131}(b)

^{F132}(c)

(d) if the rate which (apart from this subsection) would apply is the rate in subsection (4A)(a) or (b), a rate [^{F133}of £601] is to apply instead.

(4F) This subsection applies to an aircraft if—

- (a) its authorised take-off weight is not less than 20 tonnes, but
- (b) it is not authorised to seat more than 18 persons (excluding members of the flight crew and cabin attendants).

(4G) In subsection (4F)(a) “take-off weight” is to be read in accordance with section 29(2) but as if “20” were substituted for “ 5.7 ” wherever occurring.

(4H) For the purposes of subsection (4F)(b) an aircraft is authorised to seat more than 18 persons (excluding members of the flight crew and cabin attendants) if—

- (a) there is a certificate of airworthiness (as defined in section 29(4)) in force in respect of the aircraft showing that the maximum number of persons who may be seated on the aircraft (excluding members of the flight crew and cabin attendants) is more than 18, or
- (b) the Commissioners are satisfied that the aircraft is designed or adapted to seat more than 18 persons (excluding members of the flight crew and cabin attendants) or the aircraft belongs to a class or description of aircraft in respect of which the Commissioners are so satisfied.]

(5) Subject to subsection (6) below, the journey of a passenger whose agreement for carriage is evidenced by a ticket ends for the purposes of this section at his final place of destination.

(6) Where in the case of such a passenger—

- (a) his journey includes two or more flights, and
- (b) any of those flights is not followed by a connected flight,

his journey ends for those purposes where the first flight not followed by a connected flight ends.

(7) The journey of any passenger whose agreement for carriage is not evidenced by a ticket ends for those purposes where his flight ends.

(8) For the purposes of this Chapter, successive flights are connected if (and only if) they are treated under an order as connected.

[^{F134}(8A) The Treasury may by order amend Schedule 5A.]

^{F135}(9)

^{F135}(9A)

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^{F135}(9B)

[^{F136}(10) In this section “standard class travel”, in relation to carriage on an aircraft, means—
(a) in the case of an aircraft on which only one class of travel is available, that class of travel;
(b) in any other case, the lowest class of travel available on the aircraft.]

[^{F137}(11) But a class of travel is not standard class travel if the seats for passengers whose agreement for carriage provides for that class of travel have a pitch exceeding 1.016 metres (40 inches).

(12) For this purpose “pitch”, in relation to a seat, means the distance between a fixed point on the seat and the same point on the seat immediately in front of it; but where there is no seat immediately in front of the seat, the seat is to be treated as having the same pitch as the seat immediately behind it.]

Textual Amendments

F114 S. 30(1)-(4A) substituted for s. 30(1)-(4) (with effect in accordance with s. 17(3) of the amending Act) by [Finance Act 2009 \(c. 10\), s. 17\(1\)](#)

F115 S. 30(1A) inserted (with effect in accordance with Sch. 23 para. 8(4) of the amending Act) by [Finance Act 2012 \(c. 14\), Sch. 23 para. 8\(2\)](#)

F116 Words in s. 30(1A) inserted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 322\(2\)\(10\)](#)

F117 S. 30(1B) inserted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 322\(3\)\(10\)](#)

F118 Words in s. 30(2) omitted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by virtue of [Finance \(No. 2\) Act 2023 \(c. 30\), s. 322\(4\)\(10\)](#)

F119 Word in s. 30(2)(a) substituted (with effect in accordance with Sch. 23 para. 6 of the amending Act) by [Finance Act 2012 \(c. 14\), Sch. 23 para. 4\(2\)\(a\)](#)

F120 Word in s. 30(2)(b) substituted (with effect in accordance with Sch. 23 para. 6 of the amending Act) by [Finance Act 2012 \(c. 14\), Sch. 23 para. 4\(2\)\(b\)](#)

F121 S. 30(2A) inserted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 322\(5\)\(10\)](#)

F122 S. 30(3)(4) omitted (with effect in accordance with s. 79(12) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\), s. 79\(3\)](#)

F123 Sum in s. 30(4A)(a) substituted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 322\(6\)\(a\)\(10\)](#)

F124 Sum in s. 30(4A)(b) substituted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 322\(6\)\(b\)\(10\)](#)

F125 S. 30(4B)-(4D) omitted (with effect in accordance with Sch. 23 para. 8(4) of the amending Act) by virtue of [Finance Act 2012 \(c. 14\), Sch. 23 para. 8\(3\)](#)

F126 S. 30(4E)-(4H) inserted (with effect in accordance with Sch. 23 para. 23 of the amending Act) by [Finance Act 2012 \(c. 14\), Sch. 23 para. 20](#)

F127 S. 30(4E)(za) inserted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 322\(7\)\(a\)\(10\)](#)

F128 Words in s. 30(4E)(a) substituted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 322\(7\)\(b\)\(10\)](#)

F129 Word in s. 30(4E)(a) omitted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by virtue of [Finance \(No. 2\) Act 2023 \(c. 30\), s. 322\(7\)\(c\)\(10\)](#)

F130 S. 30(4E)(aa) inserted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 322\(7\)\(d\)\(10\)](#)

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- F131** S. 30(4E)(b) omitted (with effect in accordance with s. 79(12) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\), s. 79\(5\)\(c\)](#)
- F132** S. 30(4E)(c) omitted (with effect in accordance with s. 79(12) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\), s. 79\(5\)\(d\)](#)
- F133** Words in s. 30(4E)(d) substituted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 322\(7\)\(e\)\(10\)](#)
- F134** S. 30(8A) inserted (with effect in accordance with Sch. 5 para. 8(2) of the amending Act) by [Finance Act 2009 \(c. 10\), Sch. 5 para. 2\(2\)](#)
- F135** S. 30(9)-(9B) omitted (with effect in accordance with Sch. 5 para. 7 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 5 para. 2\(3\)](#)
- F136** S. 30(10) added (with application as mentioned in [s. 18\(8\)](#) of the amending Act) by [2000 c. 17, s. 18\(6\)](#)
- F137** S. 30(11)(12) inserted (with effect in accordance with s. 153(2) of the amending Act) by [Finance Act 2008 \(c. 9\), s. 153\(1\)](#)

[^{F138}30A Northern Ireland long haul [^{F139}and ultra-long haul] rates of duty

- (1) This section applies to the carriage of a chargeable passenger if—
- (a) the carriage begins on or after the relevant day,
 - (b) the only flight, or the first flight, of the passenger's journey begins at a place in Northern Ireland,
 - (c) the passenger's journey does not end at a place in the United Kingdom or a territory specified in Part 1 of Schedule 5A, and
 - (d) if the passenger's journey has more than one flight, the first flight is not followed by a connected flight beginning at a place in the United Kingdom or a territory specified in Part 1 of Schedule 5A.

^{F140}(2)

^{F140}(3)

^{F140}(4)

- (5) [^{F141}Air passenger duty is chargeable on the carriage of the chargeable passenger at the rate determined as follows]—

- (a) if the passenger's agreement for carriage provides for standard class travel in relation to every flight on the passenger's journey, the rate is the rate set by an Act of the Northern Ireland Assembly for the purposes of this paragraph, and
- (b) in any other case, the rate is the rate set by an Act of the Northern Ireland Assembly for the purposes of this paragraph.

[In relation to the carriage of a chargeable passenger on an aircraft to which ^{F142}(5A) section 30(4F) applies—

^{F143}(a)

^{F144}(b)

- (c) ^{F145}... The following rate is to apply instead [^{F146}of the rate set for the purposes of subsection (5)(a) or (b)]—

(i) the rate set by an Act of the Northern Ireland Assembly for the purposes of this paragraph, ^{F147}...

^{F147}(ii)]

- (6) The rate of £0 may be set for the purposes of any paragraph.

- (7) The same rate may be set for the purposes of two or more paragraphs.

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[For the purposes of any paragraph, an Act of the Northern Ireland Assembly may
F148(7A) set one rate for cases within section 30(2A) and a different rate for cases within section 30(4A).]

(8) Subsections (5) to (7) and (10) to (12) of section 30 apply for the purposes of this section as they apply for the purposes of that section.

(9) “The relevant day” means the day appointed as such by an order.

(10) Section 42(4) and (5) does not apply to an order under subsection (9).

(11) None of the following applies to any matter in respect of which this section authorises provision to be made by an Act of the Northern Ireland Assembly—

- (a) any paragraph of Schedule 2 or 3 to the Northern Ireland Act 1998 (excepted and reserved matters);
- (b) section 63 of that Act (financial acts of the Assembly).

(12) A Bill containing provision authorised by this section may not be passed by the Northern Ireland Assembly except in pursuance of a recommendation which—

- (a) is made by the Minister of Finance and Personnel, and
- (b) is signified to the Assembly by the Minister or on the Minister's behalf.

(13) A Bill containing provision authorised by this section may not be passed by the Northern Ireland Assembly without cross-community support (as defined in section 4(5) of the Northern Ireland Act 1998).

(14) “Passed”, in relation to a Bill, means passed at the final stage (at which the Bill can be passed or rejected but not amended).

(15) Duty paid to the Commissioners in respect of the carriage of chargeable passengers to which this section applies must be paid by the Commissioners into the Consolidated Fund of Northern Ireland.]

Subordinate Legislation Made

P2 S. 30A(9): 1.1.2013 appointed as "the relevant day" (3.12.2012) by [S.I. 2012/3015](#), [art. 2](#)

Textual Amendments

F138 S. 30A inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 23 para. 9](#)

F139 Words in [s. 30A](#) heading inserted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [s. 323\(2\)\(5\)](#)

F140 S. 30A(2)-(4) omitted (with effect in accordance with s. 79(12) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\)](#), [s. 79\(7\)](#)

F141 Words in s. 30A(5) substituted (with effect in accordance with s. 79(12) of the amending Act) by [Finance Act 2014 \(c. 26\)](#), [s. 79\(8\)](#)

F142 S. 30A(5A) inserted (17.7.2012 with effect in accordance with Sch. 23 para. 23 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 23 para. 21](#)

F143 S. 30A(5A)(a) omitted (with effect in accordance with s. 79(12) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\)](#), [s. 79\(9\)\(a\)](#)

F144 S. 30A(5A)(b) omitted (with effect in accordance with s. 79(12) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\)](#), [s. 79\(9\)\(b\)](#)

F145 Words in s. 30A(5A)(c) omitted (with effect in accordance with s. 79(12) of the amending Act) by virtue of [Finance Act 2014 \(c. 26\)](#), [s. 79\(9\)\(c\)\(i\)](#)

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- F146** Words in s. 30A(5A)(c) inserted (with effect in accordance with s. 79(12) of the amending Act) by Finance Act 2014 (c. 26), s. 79(9)(c)(ii)
- F147** S. 30A(5A)(c)(ii) and word omitted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by virtue of Finance (No. 2) Act 2023 (c. 30), s. 323(3)(5)
- F148** S. 30A(7A) inserted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by Finance (No. 2) Act 2023 (c. 30), s. 323(4)(5)

31 Passengers: exceptions.

^{F149}(1)

^{F149}(2)

(3) A passenger whose agreement for carriage is evidenced by a ticket is not a chargeable passenger in relation to a flight which is the second or a subsequent flight on his journey if—

- (a) the prescribed particulars of the flight are shown on the ticket, and
- (b) that flight and the previous flight are connected.

(4) A child who—

- (a) has not attained the age of two years, and
- (b) is not allocated a separate seat before he first boards the aircraft,

is not a chargeable passenger.

[^{F150}(4ZA) A child who has not attained the age of 16 years is not a chargeable passenger in relation to a flight if the child's agreement for carriage—

- (a) is evidenced by a ticket, and
- (b) provides for standard class travel in relation to every flight on the child's journey.

(4ZB) Subsections (10) to (12) of section 30 (meaning of “standard class travel”) apply for the purposes of subsection (4ZA) as they apply for the purposes of that section.]

[^{F151}(4A) A passenger is not a chargeable passenger in relation to a flight if under his agreement for carriage (whether or not it is evidenced by a ticket)—

- (a) the flight is to depart from and return to the same airport, and
- (b) the duration of the flight (excluding any period during which the aircraft's doors are open for boarding or disembarkation) is not to exceed 60 minutes.]

[^{F152}(4B) A passenger is not a chargeable passenger in relation to a flight if under his agreement for carriage (whether or not it is evidenced by a ticket) the flight is to depart from an airport which is in a region of [^{F153}England, Wales or Northern Ireland] designated by order.

(4C) An order may be made for the purposes of subsection (4B) above in respect of any region which has a population density of not more than 12.5 persons per square kilometre.

(4D) In subsections (4B) and (4C) above, references to a region are references to an area which is determined by the Treasury to constitute a region for the purposes of those subsections.]

(5) A passenger not carried for reward is not a chargeable passenger if he is carried—

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- (a) in pursuance of any requirement imposed under any enactment, or
- (b) for the purpose only of inspecting matters relating to the aircraft or the flight crew.

^{F149}(6)

Textual Amendments

F149 S. 31(1)(2)(6) repealed (28.7.2000 with application as mentioned in s. 19(6) of the repealing Act) by 2000 c. 17, ss. 19(2)(4), 156, **Sch. 40 Pt. I(4)**

F150 S. 31(4ZA)(4ZB) inserted (with effect in accordance with s. 57(2) of the amending Act) by **Finance Act 2015 (c. 11), s. 57(1)**

F151 S. 31(4A) inserted (29.4.1996) by 1996 c. 8, **s. 13(1)**

F152 S. 31(4B)-(4D) inserted (28.7.2000 with application as mentioned in s. 19(6) of the amending Act) by 2000 c. 17, **s. 19(3)**

F153 Words in s. 31(4B) substituted (with effect in accordance with s. 17(7) of the amending Act) by **Scotland Act 2016 (c. 11), ss. 17(5), 72(3)**

32 Change of circumstances after ticket issued etc.

(1) [^{F154}Subsections (2) and (3) below apply] in the case of a person whose agreement for carriage is evidenced by a ticket.

(2) Where—

- (a) at the time the ticket is issued or, if it is altered, at the time it is last altered, he would not (assuming there is no change of circumstances) be a chargeable passenger in relation to any flight in the course of his journey, and
- (b) by reason only of a change of circumstances not attributable to any act or default of his, he arrives at or departs from an airport in the course of that journey on a flight the prescribed particulars of which were not shown on his ticket at that time,

he shall not by reason of the change of circumstances be treated as a chargeable passenger in relation to that flight.

(3) Where—

- (a) at the time the ticket is issued or, if it is altered, at the time it is last altered, he would (assuming there is no change of circumstances) be a chargeable passenger in relation to one or more flights (“the proposed chargeable flights”) in the course of his journey,
- (b) by reason only of a change of circumstances not attributable to any act or default of his, he arrives at or departs from an airport in the course of that journey on a flight the prescribed particulars of which were not shown on his ticket at that time, and
- (c) but for this subsection he would by reason of the change be a chargeable passenger in relation to a number of flights exceeding the number of the proposed chargeable flights,

he shall not by reason of the change of circumstances be treated as a chargeable passenger in relation to that flight.

[^{F155}(4) Where—

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- (a) at the time a passenger's flight begins, by virtue of section 31(4A) above he would not (assuming there is no change of circumstances) be a chargeable passenger in relation to the flight, and
 - (b) by reason only of a change of circumstances not attributable to any act or default of his, the flight does not return to the airport from which it departed or exceeds 60 minutes in duration (excluding any period during which the aircraft's doors are open for boarding or disembarkation),
- he shall not by reason of the change of circumstances be treated as a chargeable passenger in relation to that flight.]

Textual Amendments

F154 Words in s. 32(1) substituted (29.4.1996) by 1996 c. 8, s. 13(2)(a)

F155 S. 32(4) added (29.4.1996) by 1996 c. 8, s. 13(2)(b)

Persons liable for the duty

33 Registration of aircraft operators.

- (1) The Commissioners shall under this section keep a register of aircraft operators.
- (2) The operator of a chargeable aircraft becomes liable to be registered under this section if the aircraft is used for the carriage of any chargeable passengers.
- [^{F156}(2A) If the Commissioners decide to keep a register under section 33A below, an operator of a chargeable aircraft does not become liable to be registered under this section just because the aircraft is used for the carriage of chargeable passengers to which section 30A above applies.]
- (3) A person who has become liable to be registered under this section ceases to be so liable if the Commissioners are satisfied at any time—
 - (a) that he no longer operates any chargeable aircraft, or
 - (b) that no chargeable aircraft which he operates will be used for the carriage of chargeable passengers [^{F157}or, if the Commissioners have decided to keep a register under section 33A below, that no chargeable aircraft which he operates will be used for the carriage of chargeable passengers apart from the carriage of chargeable passengers to which section 30A above applies] .
- (4) A person who is not registered [^{F158}under this section] and has not given notice under this subsection shall, if he becomes liable to be registered [^{F158}under this section] at any time, give written notice of that fact to the Commissioners not later than the end of the prescribed period beginning with that time.
- (5) Notice under subsection (4) above shall be in such form, be given in such manner and contain such information as the Commissioners may direct.
- ^{F159}(6)
- (7) Regulations may make provision as to the information to be included in, and the correction of, the register kept under this section [^{F160}or section 33A below] .
- (8) In particular, the regulations may provide—

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- (a) for the inclusion in the register of persons who have not given notice under this section but appear to the Commissioners to be liable to be registered,
- (b) for persons who are liable to be registered—
 - (i) not to be included in, or
 - (ii) to be removed from,the register in prescribed circumstances,
- (c) for the removal from the register of persons who have ceased to be so liable, and
- (d) for the time from which an entry in the register is to be effective (which may be earlier than the time when the entry is first made in the register).

Textual Amendments

- F156** S. 33(2A) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 23 para. 10\(2\)](#)
- F157** Words in s. 33(3)(b) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 23 para. 10\(3\)](#)
- F158** Words in s. 33(4) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 23 para. 10\(4\)](#)
- F159** S. 33(6) omitted (1.4.2010) (with effect in accordance with art. 3 of the commencing S.I.) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 123(2), [Sch. 41 para. 25\(e\)\(i\)](#); S.I. 2009/511, art. 2 (with art. 4)
- F160** Words in s. 33(7) inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 23 para. 10\(5\)](#)

[^{F161}33A Registration of Northern Ireland long haul aircraft operators

- (1) The Commissioners may under this section keep a register of aircraft operators.
- (2) If the Commissioners decide to keep a register under this section, the operator of a chargeable aircraft becomes liable to be registered under this section if the aircraft is used for the carriage of chargeable passengers to which section 30A above applies.
- (3) A person who has become liable to be registered under this section ceases to be so liable if the Commissioners are satisfied at any time—
 - (a) that he no longer operates any chargeable aircraft, or
 - (b) that no chargeable aircraft which he operates will be used for the carriage of chargeable passengers to which section 30A above applies.
- (4) A person who is not registered under this section and has not given notice under this subsection shall, if he becomes liable to be registered under this section at any time, give written notice of that fact to the Commissioners not later than the end of the prescribed period beginning with that time.
- (5) Notice under subsection (4) above shall be in such form, be given in such manner and contain such information as the Commissioners may direct.]

Textual Amendments

- F161** S. 33A inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 23 para. 11](#)

34 Fiscal representatives.

- (1) An aircraft operator who—
 - (a) is or is liable to be registered, and

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- (b) does not meet the requirements of subsection (3) below,
is required to have a fiscal representative.
- (2) In this Chapter “fiscal representative”, in relation to an aircraft operator, means a person who meets those requirements and stands appointed by the operator for the purposes of this section.
- (3) A person meets the requirements of this subsection if—
 - (a) he has any business establishment or other fixed establishment in the United Kingdom, or
 - (b) if he is an individual, he has his usual place of residence in the United Kingdom.
- (4) Where any person is appointed under this section to be the fiscal representative of any aircraft operator (in this section referred to as his “principal”), then, subject to subsection (5) below [^{F162}and section 34A], the fiscal representative—
 - (a) shall be entitled to act on his principal’s behalf for any of the purposes of the enactments relating to duty,
 - (b) shall, subject to such provisions as may be made by regulations, secure (where appropriate by acting on his principal’s behalf) his principal’s compliance with and discharge of the obligations and liabilities to which his principal is subject by virtue of those enactments, and
 - (c) shall be personally liable in respect of any failure of his principal to comply with or discharge any such obligation or liability as if the obligations and liabilities imposed on his principal were imposed jointly and severally on the fiscal representative and his principal.
- (5) A fiscal representative shall not be liable by virtue of subsection (4) above himself to be registered ^{F163}..., but regulations may—
 - (a) require the names of fiscal representatives to be shown in such manner as may be prescribed against the names of their principals in the register kept under [^{F164}section 33 or 33A above] , and
 - (b) make it the duty of a fiscal representative, for the purposes of registration, to notify the Commissioners, within such period as may be prescribed, that his appointment has taken effect or has ceased to have effect.

Textual Amendments

F162 Words in s. 34(4) inserted (31.7.1998) by 1998 c. 36, s. 15(2)

F163 Words in s. 34(5) omitted (17.7.2012) by virtue of Finance Act 2012 (c. 14), Sch. 23 para. 12(a)

F164 Words in s. 34(5)(a) substituted (17.7.2012) by Finance Act 2012 (c. 14), Sch. 23 para. 12(b)

[^{F165}34A Administrative representatives.

- (1) Subject to the following provisions of this section, where—
 - (a) the appointment of any person to be the fiscal representative of an aircraft operator contains a statement that the appointment is made for administrative purposes only,
 - (b) the operator has complied with any obligations for the provision of security imposed, in relation to appointments containing such statements, by any general directions given by the Commissioners, and

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- (c) the operator is not for the time being in contravention of any requirement to provide any security that he is required to provide under section 36 below, that appointment shall have effect in accordance with subsection (2) below.
- (2) Where the appointment of any person as a fiscal representative has effect in accordance with this subsection section 34(4)(b) and (c) above shall be taken, in the case of that person—
 - (a) not to impose any requirement on the representative to secure the payment of amounts of duty which are or may become due from his principal, and
 - (b) not to make him personally liable either to pay any such amounts or in respect of any failure by his principal to pay them.
- (3) The security that may be required by general directions given by the Commissioners for the purposes of this section is any such security for the payment of amounts of duty which are or may become due from the person providing the security as may be determined in accordance with the directions.
- (4) The power of the Commissioners under section 36 below to require the provision of security shall not include any power to require a fiscal representative of an aircraft operator whose appointment has effect in accordance with subsection (2) above to provide any security for the payment of amounts of duty which are or may become due from his principal.
- (5) In this section references to an amount of duty include references to any penalty or interest that is recoverable as if it were an amount of duty, but only in so far as the penalty or interest is in respect of a failure by an aircraft operator to pay an amount of duty, or to pay such an amount before a certain time.]

Textual Amendments

F165 S. 34A inserted (31.7.1998) by 1998 c. 36, s. 15(1)

35 Fiscal representatives: supplementary.

- (1) Regulations may make provision about—
 - (a) the manner in which a person is to be appointed as a fiscal representative, and
 - (b) the circumstances in which a person is to be treated as having ceased to be a fiscal representative.
- (2) If any aircraft operator who is required to have a fiscal representative fails to appoint such a representative before the prescribed time, his failure shall attract a penalty under section 9 above.
- (3) Any failure of a fiscal representative to give any notice which he is required to give by regulations under section 34(5)(b) above shall attract a penalty under section 9 above.

36 Security for payment of duty.

- (1) The Commissioners may require—
 - (a) any operator of an aircraft who is or is liable to be registered, or
 - (b) any fiscal representative,

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to provide such security, or further security, as they may think appropriate for the payment of any duty which is or may become due from the operator.

- (2) Any failure by a person to provide any security which he is required by the Commissioners to provide under subsection (1) above shall attract a penalty under section 9 above.
- (3) For the purposes of this section, a person shall not be treated as having been required to provide security under subsection (1) above unless the Commissioners have either—
 - (a) served notice of the requirement on him, or
 - (b) taken all such other steps as appear to them to be reasonable for bringing the requirement to his attention.

37 Handling agents.

- (1) Where any amount of duty becomes payable at any time by the operator of an aircraft and, within the period of ninety days beginning with that time, that amount, or any other amount which becomes payable by him within the period, is not paid, the Commissioners may give notice under this section to any handling agent of his.
- (2) If any operator of an aircraft who is required to have a fiscal representative fails to appoint such a representative before the prescribed time, the Commissioners may give notice under this section to any handling agent of his.
- (3) In this Chapter “handling agent”, in relation to the operator of an aircraft (“the principal”), means any person (other than an individual) who, under an agreement with the principal, makes arrangements for—
 - (a) the allocation of seats to passengers on aircraft operated by the principal, or
 - (b) the supervision of the boarding of such aircraft by passengers.
- (4) A notice under this section—
 - (a) may be given on the ground referred to in subsection (1) above only if the Commissioners consider it necessary to do so for the protection of the revenue, and
 - (b) may at any time be withdrawn by the Commissioners.
- (5) A notice under this section shall become effective on the date stated in it or, if later, the time when the notice is received by the handling agent and shall continue to be effective until withdrawn.
- (6) If, where a notice given to a handling agent under this section is effective—
 - (a) the allocation of seats to passengers on aircraft operated by his principal, or the supervision of the boarding of such aircraft by passengers, is carried out in pursuance of arrangements made by him under any agreement with his principal, and
 - (b) any duty payable in respect of those passengers is not paid,
 the handling agent shall be liable jointly and severally with his principal for the payment of the duty.

38 Accounting for and payment of duty.

- (1) Regulations shall require aircraft operators who are registered or liable to be registered—

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- (a) to keep accounts for the purposes of duty in such form and manner as may be prescribed, and
 - (b) to make returns in respect of duty—
 - (i) by reference to such periods as may be prescribed or as may be allowed by the Commissioners, in relation to a particular operator, in accordance with regulations, and
 - (ii) at such time and in such manner as may be prescribed or specified.
 - (2) Any person from whom any duty is due shall pay the duty at such time and in such manner as may be prescribed or specified.
- [^{F166}(2A) Regulations may require a prescribed person to make, at prescribed times during a prescribed period, payments based on an estimate of what the person's liability will be for duty charged in the period.
- (2B) The estimate and the amounts of the payments are to be determined in accordance with provision made by the regulations.
 - (2C) The payments are to be treated as being payments on account of the person's liability for duty charged in the period.
 - (2D) The regulations must make provision for dealing with cases where this results in an overpayment of duty by providing for amounts—
 - (a) to be repaid by the Commissioners, or
 - (b) to be treated as having been paid on account of the person's liability for duty charged in other periods,or both.]
 - (3) In this section “specified” means specified in a notice published, and not withdrawn, by the Commissioners.
 - (4) Any failure by any person to comply with regulations under this section shall, unless he is complying with the corresponding provisions of such a notice, attract a penalty under section 9 above and, in the case of any failure to keep accounts, daily penalties.

Textual Amendments

F166 S. 38(2A)-(2D) inserted (17.7.2013) by [Finance Act 2013 \(c. 29\)](#), s. 186(1)

[^{F167}39 Schemes for simplified operation of Chapter

- (1) This section applies if the Commissioners consider that, having regard to difficulties encountered or expected to be encountered by any registered operator in obtaining and recording information about passengers and their journeys, it is appropriate for this Chapter to have effect in relation to the registered operator in accordance with a special accounting scheme.
- (2) The Commissioners may agree with the registered operator that this Chapter is to have effect in relation to the registered operator in accordance with a special accounting scheme agreed between the Commissioners and the registered operator (but subject to subsection (4)).
- (3) A special accounting scheme is a scheme which makes provision for methods of calculating—

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- (a) how many persons are to be regarded for the purposes of this Chapter as chargeable passengers carried by chargeable aircraft operated by a registered operator, and
 - (b) how many of those are to be so regarded as having been so carried on journeys in respect of which duty is chargeable at any particular rate.
- (4) The Commissioners may publish a notice specifying terms and conditions subject to which special accounting schemes are to have effect.
- (5) Where the Commissioners and a registered operator have agreed that this Chapter is to have effect in relation to the registered operator in accordance with a special accounting scheme, this Chapter has effect in relation to the registered operator in accordance with the scheme (and with any notice under subsection (4) which has been published by the Commissioners and not withdrawn) for the period agreed by the Commissioners and the registered operator.
- (6) The Commissioners and the registered operator may at any time agree to vary the special accounting scheme for the future.
- (7) The Commissioners may at any time terminate the operation of the special accounting scheme—
 - (a) on the application of the registered operator, or
 - (b) where they have reasonable grounds for doing so,
 by giving notice to the registered operator.]

Textual Amendments

F167 S. 39 substituted (21.7.2009) (with effect in accordance with Sch. 5 para. 8(2) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 5 para. 3](#) (with [Sch. 5 para. 8\(1\)](#))

Administration and enforcement

40 Administration and enforcement.

- (1) Air passenger duty shall be a duty of excise and, accordingly, shall be under the care and management of the Commissioners.
- (2) Schedule 6 to this Act (administration and enforcement) shall have effect.

41 Offences.

- (1) A person who is knowingly concerned—
 - (a) in the fraudulent evasion (by him or another person) of duty, or
 - (b) in taking steps with a view to such fraudulent evasion,
 is guilty of an offence.
- (2) A person guilty of an offence under subsection (1) above is liable—
 - (a) on summary conviction, to a penalty of—
 - (i) [^{F168}£20,000,] or
 - (ii) if greater, treble the amount of the duty evaded or sought to be evaded,
 or to imprisonment for a term not exceeding six months, or to both, or

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- (b) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding seven years, or to both.
- (3) A person who in connection with duty—
 - (a) makes a statement that he knows to be false in a material particular or recklessly makes a statement that is false in a material particular, or
 - (b) with intent to deceive, produces or makes use of a book, account, return or other document that is false in a material particular,is guilty of an offence.
- (4) A person guilty of an offence under subsection (3) above is liable—
 - (a) on summary conviction, to a penalty of [^{F169}£20,000] or to imprisonment for a term not exceeding six months, or to both, or
 - (b) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding two years, or to both.

Textual Amendments

F168 Sum in s. 41(2)(a)(i) substituted (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 2 para. 7\(2\)\(a\)](#) (with reg. 5(1))

F169 Sum in s. 41(4)(a) substituted (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 2 para. 7\(2\)\(b\)](#) (with reg. 5(1))

[^{F170}41A Northern Ireland long haul rates of duty: disclosure of information

- (1) An officer of Revenue and Customs may disclose to the Secretary of State, the Treasury or the Department of Finance and Personnel in Northern Ireland any information for purposes connected with the setting of rates of duty under section 30A above, including (in particular) to enable the setting of rates under that section to be taken into account for the purposes of section 58 of the Northern Ireland Act 1998 (payments by Secretary of State into Consolidated Fund of Northern Ireland).
- (2) Information disclosed under subsection (1) above may not be further disclosed without the consent of the Commissioners (which may be general or specific).
- (3) In section 19 of the Commissioners for Revenue and Customs Act 2005 (wrongful disclosure) references to section 18(1) of that Act are to be read as including a reference to subsection (2) above.]

Textual Amendments

F170 S. 41A inserted (17.7.2012) by [Finance Act 2012 \(c. 14\)](#), [Sch. 23 para. 13](#)

Supplementary

42 Regulations and orders.

- (1) In this Chapter “regulations” means regulations made by the Commissioners and “order” means an order made by the Treasury.

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- (2) Regulations and orders may make different provision for different cases or circumstances and make incidental, supplemental, saving or transitional provision.
- (3) Any power to make regulations or an order is exercisable by statutory instrument.
- (4) No order which appears to the Treasury to extend the circumstances in which passengers are to be treated as chargeable passengers ^{F171}, or to increase the rate of air passenger duty to be charged on the carriage of any chargeable passengers whose journeys end in any place, shall be made unless a draft of the order has been laid before and approved by the House of Commons.
- (5) Any other order, and any regulations, shall be subject to annulment in pursuance of a resolution of the House of Commons.

Textual Amendments

F171 Words in s. 42(4) inserted (21.7.2009) (with effect in accordance with Sch. 5 para. 8(2) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 5 para. 4](#)

43 Interpretation.

- (1) In this Chapter—

“accounting period” means any period prescribed or allowed for the purposes of section 38 above,

“agreement for carriage”, in relation to the carriage of any person, means the agreement or arrangement under which he is carried, whether the carriage is by a single carrier or successive carriers,

“Air Navigation Order” has the same meaning as in the ^{M16}Civil Aviation Act 1982,

“airport” means any aerodrome (within the meaning of that Act),

“carriage” means carriage wholly or partly by air, and “carried” is to be read accordingly,

“connected”, in relation to any flights, has the meaning given by section 30(8) above,

“document” includes information recorded in any form,

“duty” means air passenger duty,

“fiscal representative” has the meaning given by section 34(2) above,

“flight” has the meaning given by section 28(5) above,

“operator”, in relation to any aircraft, means the person having the management of the aircraft for the time being,

^{F172}“passenger”, in relation to any aircraft, means any person carried on the aircraft other than—

(a) a member of the flight crew,

(b) a cabin attendant, or

(c) a person who is not carried for reward and who satisfies such other requirements as may be prescribed.]

“prescribed” means prescribed by regulations,

“reward”, in relation to the carriage of any person, includes any form of consideration received or to be received wholly or partly in connection with

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the carriage, irrespective of the person by whom or to whom the consideration has been or is to be given, and

“ticket” means a document or documents evidencing an agreement (wherever made) for the carriage of any person.

[^{F173}(1A) The agreements and arrangements covered by the definition of “agreement for carriage” in subsection (1) include informal agreements or arrangements between, for example, members of a family or friends.]

(2) ^{F174}. . ., in this Chapter, in relation to a passenger whose agreement for carriage is evidenced by a ticket—

“journey” means the journey from his original place of departure to his final place of destination, and

“original place of departure” and “final place of destination” mean the original place of departure and the final place of destination indicated on his ticket.

^{F175}(3)

(4) Subject to the preceding provisions of this section, expressions used in this Chapter and in the ^{M17}Customs and Excise Management Act 1979 have the same meaning as in that Act.

Textual Amendments

F172 Words in s. 43(1) substituted (17.7.2012) (with effect in accordance with Sch. 23 para. 23 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 23 para. 22\(2\)](#)

F173 S. 43(1A) inserted (17.7.2012) (with effect in accordance with Sch. 23 para. 23 of the amending Act) by [Finance Act 2012 \(c. 14\)](#), [Sch. 23 para. 22\(3\)](#)

F174 Words in s. 43(2) repealed (28.7.2000 with effect as mentioned in s. 19(6) of the repealing Act) by [2000 c. 17, ss. 19\(5\)\(a\), 156](#), [Sch. 40 Pt. I\(4\)](#)

F175 S. 43(3) repealed (28.7.2000 with effect as mentioned in s. 19(6) of the repealing Act) by [2000 c. 17, ss. 19\(5\)\(b\), 156](#), [Sch. 40 Pt. I\(4\)](#)

Marginal Citations

M16 [1982 c. 16](#).

M17 [1979 c. 2](#).

44 Commencement.

(1) This Chapter applies to any carriage of a passenger on an aircraft which begins after 31st October 1994.

(2) For the purpose of determining whether or not a person is a chargeable passenger in relation to any carriage on an aircraft beginning after that date, the provisions of section 31 above and any order made by virtue of that section shall be treated as having applied to any such carriage of that person which began on or before that date as they would apply to any such carriage of that person beginning after that date.

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PART II

VALUE ADDED TAX

F176 **45**

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Textual Amendments

F176 [S. 45](#) repealed (1.9.1994) by [1994 c. 23](#), ss. 100(2), 101(1), [Sch. 15](#)

46 Repayment supplement.

- (1) Section 20 of the Finance Act 1985 (repayment supplement) shall be amended as follows.
- (2) In subsection (1) (supplement of 5 per cent. or £30, whichever is greater) for “£30” there shall be substituted “ £50 ”.
- (3) In subsection (2)(a) (return or claim must be received not later than one month after last day on which it is required) the words “one month after” shall be omitted.
- (4) This section shall apply where the requisite return or claim is received after the expiry of the period of one month beginning with the day after that on which this Act is passed.

F177 **47**

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Textual Amendments

F177 [S. 47](#) repealed (1.9.1994) by [1994 c. 23](#), ss. 100(2), 101(1), [Sch. 15](#)

PART III

INSURANCE PREMIUM TAX

The basic provisions

48 Insurance premium tax.

- (1) A tax, to be known as insurance premium tax, shall be charged in accordance with this Part.
- (2) The tax shall be under the care and management of the Commissioners of Customs and Excise.

49 Charge to tax.

Tax shall be charged on the receipt of a premium by an insurer if the premium is received—

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- (a) under a taxable insurance contract, and
- (b) on or after 1st October 1994.

50 Chargeable amount.

- (1) Tax shall be charged by reference to the chargeable amount.
- (2) For the purposes of this Part, the chargeable amount is such amount as, with the addition of the tax chargeable, is equal to the amount of the premium.
- (3) ^[F178]Subsections (1) and (2)] above shall have effect subject to ^[F179]sections 69 and 69A] below.

Textual Amendments

F178 Words in s. 23(3) substituted (19.3.1997 with effect as mentioned in s. 24 of the amending Act) by 1997 c. 16, s. 23(2)

F179 Words in s. 50(3) substituted (1.3.2012) by The Enactment of Extra-Statutory Concessions Order 2012 (S.I. 2012/266), arts. 1, 2(2)

^[F180]51 Rate of tax.

- (1) Tax shall be charged—
 - (a) at the higher rate, in the case of a premium which is liable to tax at that rate; and
 - (b) at the standard rate, in any other case.
- (2) For the purposes of this Part—
 - (a) the higher rate is ^[F181]20 per cent] .; and
 - (b) the standard rate is ^[F182]12 per cent] .]

Textual Amendments

F180 S. 51 substituted (19.3.1997 with effect as mentioned in s. 24 of the amending Act) by 1997 c. 16, s. 21(1)

F181 Words in s. 51(2)(a) substituted (27.7.2010 with effect as mentioned in s. 4(2) of the amending Act) by Finance (No. 2) Act 2010 (c. 31), s. 4(1)(a)

F182 Words in s. 51(2)(b) substituted (with effect in accordance with s. 17(2)-(5) of the amending Act) by Finance Act 2017 (c. 10), s. 17(1)

^[F183]51A Premiums liable to tax at the higher rate.

- (1) A premium received under a taxable insurance contract by an insurer is liable to tax at the higher rate if it falls within one or more of the paragraphs of Part II of Schedule 6A to this Act.
- (2) Part I of Schedule 6A to this Act shall have effect with respect to the interpretation of that Schedule.
- (3) Provision may be made by order amending Schedule 6A as it has effect for the time being.

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(4) This section is subject to section 69 below.]

Textual Amendments

F183 S. 51A inserted (19.3.1997 with effect as mentioned in [s. 24](#) of the amending Act) by [1997 c. 16, s. 22\(1\)](#)

52 Liability to pay tax.

- (1) Tax shall be payable by the person who is the insurer in relation to the contract under which the premium is received.
- (2) Subsection (1) above shall have effect subject to any regulations made under section 65 below.

[^{F184}52A Certain fees to be treated as premiums under higher rate contracts.

- (1) This section applies where—
 - (a) at or about the time when a higher rate contract is effected, and
 - (b) in connection with that contract,
 a fee in respect of an insurance-related service is charged by a taxable intermediary to a person who is or becomes the insured (or one of the insured) under the contract or to a person who acts for or on behalf of such a person.
- (2) Where this section applies—
 - (a) a payment in respect of the fee shall be treated for the purposes of this Part as a premium received under a taxable insurance contract by an insurer, and
 - (b) that premium—
 - (i) shall be treated for the purposes of this Part as so received at the time when the payment is made, and
 - (ii) shall be chargeable to tax at the higher rate.
- (3) Tax charged by virtue of subsection (2) above shall be payable by the taxable intermediary as if he were the insurer under the contract mentioned in paragraph (a) of that subsection.
- (4) For the purposes of this section, a contract of insurance is a “higher rate contract” if—
 - (a) it is a taxable insurance contract; and
 - (b) the whole or any part of a premium received under the contract by the insurer is (apart from this section) liable to tax at the higher rate.
- (5) For the purposes of this Part a “taxable intermediary” is a person falling within subsection (6) [^{F185}or (6A)] below who—
 - (a) at or about the time when a higher rate contract is effected, and
 - (b) in connection with that contract,
 charges a fee in respect of an insurance-related service to a person who is or becomes the insured (or one of the insured) under the contract or to a person who acts for or on behalf of such a person.

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- [A person falls within this subsection if the higher rate contract mentioned in ^{F186}(6) subsection (1) above falls within paragraph 2 or 3 of Schedule 6A to this Act (motor cars or motor cycles, or relevant goods) and the person is—
- (a) within the meaning of the paragraph in question, a supplier of motor cars or motor cycles or, as the case may be, of relevant goods; or
 - (b) a person connected with a person falling within paragraph (a) above; or
 - (c) a person who in the course of his business pays—
 - (i) the whole or any part of the premium received under that contract, or
 - (ii) a fee connected with the arranging of that contract,to a person falling within paragraph (a) or (b) above.
- (6A) A person falls within this subsection if the higher rate contract mentioned in subsection (1) above falls within paragraph 4 of Schedule 6A to this Act (travel insurance) and the person is—
- (a) the insurer under that contract; or
 - (b) a person through whom that contract is arranged in the course of his business; or
 - (c) a person connected with the insurer under that contract; or
 - (d) a person connected with a person falling within paragraph (b) above; or
 - (e) a person who in the course of his business pays—
 - (i) the whole or any part of the premium received under that contract, or
 - (ii) a fee connected with the arranging of that contract,to a person falling within any of paragraphs (a) to (d) above.]

(8) For the purposes of this section, any question whether a person is connected with another shall be determined in accordance with [^{F187}section 1122 of the Corporation Tax Act 2010] .

(9) In this section—

“insurance-related service” means any service which is related to, or connected with, insurance;

^{F188} . . .]

Textual Amendments

- F184** s. 52A inserted (19.3.1997 with effect as mentioned in s. 25(2) of the amending Act) by 1997 c. 16, s. 25(1)(2)
- F185** Words in s. 52A(5) inserted (31.7.1998 with effect as mentioned in s. 147(5) of the amending Act) by 1998 c. 36, s. 147(2) (with Sch. 18 para. 6(3))
- F186** S. 52A(6)(6A) substituted for s. 52A(6)(7) (31.7.1998 with effect as mentioned in s. 147(5) of the amending Act) by 1998 c. 36, s. 147(3) (with Sch. 18 para. 6(3))
- F187** Words in s. 52A(8) substituted (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 281 (with Sch. 2)
- F188** Definition in s. 52A(9) repealed (31.7.1998 with effect as mentioned in s. 147(5) of the repealing Act) by 1998 c. 36, ss. 147(4), 165, Sch. 27 Pt. V(1), Note (with Sch. 18 para. 6(3))

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Administration

53 Registration of insurers.

- (1) A person who—
- (a) receives, as insurer, premiums in the course of a taxable business, and
 - (b) is not registered,
- is liable to be registered.
- [^{F189}(1A) The register kept under this section may contain such information as the Commissioners think is required for the purposes of the care and management of the tax.]
- (2) A person who—
- (a) at any time forms the intention of receiving, as insurer, premiums in the course of a taxable business, and
 - (b) is not already receiving, as insurer, premiums in the course of another taxable business,
- shall notify the Commissioners of those facts.
- (3) A person who at any time—
- (a) ceases to have the intention of receiving, as insurer, premiums in the course of a taxable business, and
 - (b) has no intention of receiving, as insurer, premiums in the course of another taxable business,
- shall notify the Commissioners of those facts.
- (4) Where a person is liable to be registered by virtue of subsection (1) above the Commissioners shall register him with effect from the time when he begins to receive premiums in the course of the business concerned; and it is immaterial whether or not he notifies the Commissioners under subsection (2) above.
- (5) Where a person—
- (a) notifies the Commissioners under subsection (3) above, [^{F190}and]
 - (b) satisfies them of the facts there mentioned, ^{F191} . . .
- ^{F191}(c)
- the Commissioners shall cancel his registration with effect from the earliest practicable time after he ceases to receive, as insurer, premiums in the course of any taxable business.
- [^{F192}(5A) In a case where—
- (a) the Commissioners are satisfied that a person has ceased to receive, as insurer, premiums in the course of any taxable business, but
 - (b) he has not notified them under subsection (3) above,
- they may cancel his registration with effect from the earliest practicable time after he so ceased.]
- (6) For the purposes of this section regulations may make provision—
- (a) as to the time within which a notification is to be made;
 - (b) as to the circumstances in which premiums are to be taken to be received in the course of a taxable business;

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- (c) as to the form and manner in which any notification is to be made and as to the information to be contained in or provided with it;
 - (d) requiring a person who has made a notification to notify the Commissioners if any information contained in or provided in connection with it is or becomes inaccurate;
 - (e) as to the correction of entries in the register.
- (7) References in this section to receiving premiums are to receiving premiums on or after 1st October 1994.

Textual Amendments

F189 S. 53(1A) inserted (1.5.1995) by 1995 c. 4, s. 34, **Sch. 5 para. 3**

F190 Word after s. 53(5)(a) inserted (1.5.1995 with application as mentioned in **Sch. 5 para. 2(4)** of the amending Act) by 1995 c. 4, s. 34, **Sch. 5 para. 2(2)(a)**

F191 S. 53(5)(c) and the word immediately preceding it repealed (1.5.1995 with application as mentioned in **Sch. 5 para. 2(4)** of the repealing Act) by 1995 c. 4, ss. 34, 162, **Sch. 5 para. 2(2)(b)**, **Sch. 29 Pt. VII**, Note

F192 S. 53(5A) inserted (1.5.1995) by 1995 c. 4, s. 34, **Sch. 5 para. 2(3)**

[^{F193}**53A**Registration of taxable intermediaries.

- (1) A person who—
 - (a) is a taxable intermediary, and
 - (b) is not registered,is liable to be registered.
- (2) The register kept under this section may contain such information as the Commissioners think is required for the purposes of the care and management of the tax.
- (3) A person who—
 - (a) at any time forms the intention of charging taxable intermediary's fees, and
 - (b) is not already charging such fees in the course of another business,shall notify the Commissioners of those facts.
- (4) A person who at any time—
 - (a) ceases to have the intention of charging taxable intermediary's fees in the course of his business, and
 - (b) has no intention of charging such fees in the course of another business of his,shall notify the Commissioners of those facts.
- (5) Where a person is liable to be registered by virtue of subsection (1) above, the Commissioners shall register him with effect from the time when he begins to charge taxable intermediary's fees in the course of the business concerned; and it is immaterial whether or not he notifies the Commissioners under subsection (3) above.
- (6) Where a person—
 - (a) notifies the Commissioners under subsection (4) above, and
 - (b) satisfies them of the facts there mentioned,

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the Commissioners shall cancel his registration with effect from the earliest practicable time after he ceases to charge taxable intermediary's fees in the course of any business of his.

(7) In a case where—

- (a) the Commissioners are satisfied that a person has ceased to charge taxable intermediary's fees in the course of any business of his, but
- (b) he has not notified them under subsection (4) above,

they may cancel his registration with effect from the earliest practicable time after he so ceased.

(8) For the purposes of this section regulations may make provision—

- (a) as to the time within which a notification is to be made;
- (b) as to the form and manner in which any notification is to be made and as to the information to be contained in or provided with it;
- (c) requiring a person who has made a notification to notify the Commissioners if any information contained in or provided in connection with it is or becomes inaccurate;
- (d) as to the correction of entries in the register.

(9) In this Part “taxable intermediary's fees” means fees which, to the extent of any payment in respect of them, are chargeable to tax by virtue of section 52A above.]

Textual Amendments

F193 S. 53AA inserted after s. 53 (19.3.1997) by 1997 c. 16, s. 26

[^{F194}53A Information required to keep register up to date.

(1) Regulations may make provision requiring a registrable person to notify the Commissioners of particulars which—

- (a) are of changes in circumstances relating to the registrable person or any business carried on by him,
- (b) appear to the Commissioners to be required for the purpose of keeping the register kept under section 53 [^{F195}or 53AA] above up to date, and
- (c) are of a prescribed description.

(2) Regulations may make provision—

- (a) as to the time within which a notification is to be made;
- (b) as to the form and manner in which a notification is to be made;
- (c) requiring a person who has made a notification to notify the Commissioners if any information contained in it is inaccurate.]

Textual Amendments

F194 S. 53A inserted (1.5.1995) by 1995 c. 4, s. 34, Sch. 5, para. 4

F195 Words in s. 53A inserted (19.3.1997) by 1997 c. 16, s. 27(2)

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54 Accounting for tax and time for payment.

Regulations may provide that a registrable person shall—

- (a) account for tax by reference to such periods (accounting periods) as may be determined by or under the regulations;
- (b) make, in relation to accounting periods, returns in such form as may be prescribed and at such times as may be so determined;
- (c) pay tax at such times and in such manner as may be so determined.

55 Credit.

- (1) Regulations may provide that where an insurer [^{F196}or taxable intermediary] has paid tax and all or part of the premium [^{F197}or taxable intermediary's fee (as the case may be)] is repaid, the insurer [^{F196}or taxable intermediary] shall be entitled to credit of such an amount as is found in accordance with prescribed rules.

- (2) Regulations may provide that where—

- (a) by virtue of regulations made under section 68 below tax is charged in relation to a premium which is shown in the accounts of an insurer as due to him,
- (b) that tax is paid, and
- (c) it is shown to the satisfaction of the Commissioners that the premium, or part of it, will never actually be received by or on behalf of the insurer,

the insurer shall be entitled to credit of such an amount as is found in accordance with prescribed rules.

- (3) Regulations may make provision as to the manner in which an insurer [^{F196}or taxable intermediary] is to benefit from credit, and in particular may make provision—

- (a) that an insurer [^{F196}or taxable intermediary] shall be entitled to credit by reference to accounting periods;
- (b) that an insurer [^{F196}or taxable intermediary] shall be entitled to deduct an amount equal to his total credit for an accounting period from the total amount of tax due from him for the period;
- (c) that if no tax is due from an insurer [^{F196}or taxable intermediary] for an accounting period but he is entitled to credit for the period, the amount of the credit shall be paid to him by the Commissioners;
- (d) that if the amount of credit to which an insurer [^{F196}or taxable intermediary] is entitled for an accounting period exceeds the amount of tax due from him for the period, an amount equal to the excess shall be paid to him by the Commissioners;
- (e) for the whole or part of any credit to be held over to be credited for a subsequent accounting period;
- (f) as to the manner in which a person who has ceased to be registrable [^{F198}(whether under section 53 or section 53AA)] is to benefit from credit.

- (4) Regulations under subsection (3)(c) or (d) above may provide that where at the end of an accounting period an amount is due to an insurer [^{F196}or taxable intermediary] who has failed to submit returns for an earlier period as required by this Part, the Commissioners may withhold payment of the amount until he has complied with that requirement.

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- (5) Regulations under subsection (3)(e) above may provide for credit to be held over either on the insurer's [^{F199}or taxable intermediary's] application or in accordance with general or special directions given by the Commissioners from time to time.
- (6) Regulations may provide that—
 - (a) no deduction or payment shall be made in respect of credit except on a claim made in such manner and at such time as may be determined by or under regulations;
 - (b) payment in respect of credit shall be made subject to such conditions (if any) as the Commissioners think fit to impose, including conditions as to repayment in specified circumstances;
 - (c) deduction in respect of credit shall be made subject to such conditions (if any) as the Commissioners think fit to impose, including conditions as to the payment to the Commissioners, in specified circumstances, of an amount representing the whole or part of the amount deducted.
- (7) Regulations may require a claim by an insurer [^{F196}or taxable intermediary] to be made in a return required by provision made under section 54 above.
- (8) Regulations may provide that where—
 - (a) all or any of the tax payable in respect of a premium [^{F200}or taxable intermediary's fee] has not been paid, and
 - (b) the circumstances are such that a person would be entitled to credit if the tax had been paid,
 prescribed adjustments shall be made as regards any amount of tax due from any person.

Textual Amendments

- F196** Words in s. 55 inserted (19.3.1997) by 1997 c. 16, s. 27(3)(a)
F197 Words in s. 55(1) inserted (19.3.1997) by 1997 c. 16, s. 27(3)(b)
F198 Words in s. 55(3)(f) inserted (19.3.1997) by 1997 c. 16, s. 27(3)(c)
F199 Words in s. 55(5) inserted (19.3.1997) by 1997 c. 16, s. 27(3)(d)
F200 Words in s. 55(8)(a) inserted (19.3.1997) by 1997 c. 16, s. 27(3)(e)

56 Power to assess.

- (1) In a case where—
 - (a) a person has failed to make any returns required to be made under this Part,
 - (b) a person has failed to keep any documents necessary to verify returns required to be made under this Part,
 - (c) a person has failed to afford the facilities necessary to verify returns required to be made under this Part, or
 - (d) it appears to the Commissioners that returns required to be made by a person under this Part are incomplete or incorrect,
 the Commissioners may assess the amount of tax due from the person concerned to the best of their judgment and notify it to him.
- (2) Where a person has for an accounting period been paid an amount to which he purports to be entitled under regulations made under section 55 above, then, to the extent that

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the amount ought not to have been paid or would not have been paid had the facts been known or been as they later turn out to be, the Commissioners may assess the amount as being tax due from him for that period and notify it to him accordingly.

- (3) Where a person is assessed under subsections (1) and (2) above in respect of the same accounting period the assessments may be combined and notified to him as one assessment.
- (4) Where the person failing to make a return, or making a return which appears to the Commissioners to be incomplete or incorrect, was required to make the return as a personal representative, trustee in bankruptcy, trustee in sequestration, receiver, liquidator or person otherwise acting in a representative capacity in relation to another person, subsection (1) above shall apply as if the reference to tax due from him included a reference to tax due from that other person.
- (5) An assessment under subsection (1) or (2) above of an amount of tax due for an accounting period shall not be made after the later of the following—
 - (a) two years after the end of the accounting period;
 - (b) one year after evidence of facts, sufficient in the Commissioners' opinion to justify the making of the assessment, comes to their knowledge;but where further such evidence comes to their knowledge after the making of an assessment under subsection (1) or (2) above another assessment may be made under the subsection concerned in addition to any earlier assessment.
- (6) In a case where—
 - (a) as a result of a person's failure to make a return for an accounting period the Commissioners have made an assessment under subsection (1) above for that period,
 - (b) the tax assessed has been paid but no proper return has been made for the period to which the assessment related, and
 - (c) as a result of a failure to make a return for a later accounting period, being a failure by the person referred to in paragraph (a) above or a person acting in a representative capacity in relation to him, as mentioned in subsection (4) above, the Commissioners find it necessary to make another assessment under subsection (1) above,then, if the Commissioners think fit, having regard to the failure referred to in paragraph (a) above, they may specify in the assessment referred to in paragraph (c) above an amount of tax greater than that which they would otherwise have considered to be appropriate.
- (7) Where an amount has been assessed and notified to any person under subsection (1) or (2) above it shall be deemed to be an amount of tax due from him and may be recovered accordingly unless, or except to the extent that, the assessment has subsequently been withdrawn or reduced.
- (8) For the purposes of this section notification to—
 - (a) a personal representative, trustee in bankruptcy, trustee in sequestration, receiver or liquidator, or
 - (b) a person otherwise acting in a representative capacity in relation to another person,

shall be treated as notification to the person in relation to whom the person mentioned in paragraph (a) above, or the first person mentioned in paragraph (b) above, acts.

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Tax representatives

^{F201}57 Tax representatives.

.....

Textual Amendments

F201 S. 57 omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 142(1)(a)

^{F202}58 Rights and duties of tax representatives.

.....

Textual Amendments

F202 S. 58 omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 142(1)(a)

Review and appeal

59 [^{F203}Appeals]

- (1) [^{F204}Subject to section 60, an appeal shall lie to an appeal tribunal from any person who is or will be affected by any decision of HMRC with respect to the any of the following matters—]
- (a) the registration or cancellation of registration of any person under this Part;
 - (b) whether tax is chargeable in respect of a premium or how much tax is chargeable;
 - [^{F205}(bb) whether a payment falls to be treated under section 52A(2) above as a premium received under a taxable insurance contract by an insurer and chargeable to tax at the higher rate;]
 - (c) whether a person is entitled to credit by virtue of regulations under section 55 above or how much credit a person is entitled to or the manner in which he is to benefit from credit;
 - (d) an assessment [^{F206}falling within subsection (1A) below] or the amount of such an assessment;
 - (e) any refusal of an application under section 63 below;
 - (f) whether a notice may be served on a person by virtue of regulations made under section 65 below;
 - (g) an assessment under regulations made under section 65 below or the amount of such an assessment;
 - (h) whether a scheme established by regulations under section 68 below applies to an insurer as regards an accounting period;
 - [^{F207}(ha) a refusal of an application for an exemption under section 69C or the withdrawal of such an exemption;]
 - (i) the requirement of any security under paragraph 24 of Schedule 7 to this Act or its amount;
 - (j) any liability to a penalty under paragraphs 12 to 19 of Schedule 7 to this Act;

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- (k) the amount of any penalty or interest specified in an assessment under paragraph 25 of Schedule 7 to this Act;
- (l) a claim for the repayment of an amount under paragraph 8 of Schedule 7 to this Act;
- (m) any liability of the Commissioners to pay interest under paragraph 22 of Schedule 7 to this Act or the amount of the interest payable.

[^{F208}(1A) An assessment falls within this subsection if it is an assessment under section 56 above in respect of an accounting period in relation to which a return required to be made by virtue of regulations under section 54 above has been made.]

- ^{F209}(2)
- ^{F209}(3)
- ^{F209}(4)
- ^{F209}(5)
- ^{F209}(6)
- ^{F209}(7)
- ^{F209}(8)

Textual Amendments

- F203** S. 59 heading 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. 205(2)** (with Sch. 3 paras. 2-4)
- F204** Words in s. 59(1) 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. 205(3)** (with Sch. 3 paras. 2-4)
- F205** S. 59(1)(bb) inserted (19.3.1997) by [1997 c. 16](#), s. 27(6)
- F206** Words in s. 59(1)(d) substituted (1.5.1995 with application as mentioned in [Sch. 5 para. 5\(4\)](#) of the amending Act) by [1995 c. 4](#), s. 34, **Sch. 5 para. 5(2)**
- F207** S. 59(1)(ha) inserted (1.3.2012) by [The Enactment of Extra-Statutory Concessions Order 2012 \(S.I. 2012/266\)](#), arts. 1, **2(3)**
- F208** S. 59(1A) inserted (1.5.1995 with application as mentioned in [Sch. 5 para. 5\(4\)](#) of the amending Act) by [1995 c. 4](#), s. 34, **Sch. 5 para. 5(3)**
- F209** S. 59(2)-(8) 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. 205(4)**

Modifications etc. (not altering text)

- C60** S. 59 extended (19.3.1997) by [1997 c. 16](#), s. 50(1), **Sch. 5 para. 19(2)**

Commencement Information

- I14** S. 59 wholly in force at 1.10.1994 by [S.I. 1994/1773](#), art. 2

[^{F210}59A Offer of review

- (1) HMRC must offer a person (P) a review of a decision that has been notified to P if an appeal lies under section 59 in respect of the decision.
- (2) The offer of the review must be made by notice given to P at the same time as the decision is notified to P.

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(3) This section does not apply to the notification of the conclusions of a review.

Textual Amendments

F210 Ss. 59A-59G 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. 206](#)

59B Right to require review

- (1) Any person (other than P) who has the right of appeal under section 59 against a decision may require HMRC to review that decision if that person has not appealed to the appeal tribunal under section 59G.
- (2) A notification that such a person requires a review must be made within 30 days of that person becoming aware of the decision.

Textual Amendments

F210 Ss. 59A-59G 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. 206](#)

59C Review by HMRC

- (1) HMRC must review a decision if—
 - (a) they have offered a review of the decision under section 59A, and
 - (b) P notifies HMRC accepting the offer within 30 days from the date of the document containing the notification of the offer.
- (2) But P may not notify acceptance of the offer if P has already appealed to the appeal tribunal under section 59G.
- (3) HMRC must review a decision if a person other than P notifies them under section 59B.
- (4) HMRC shall not review a decision if P, or another person, has appealed to the appeal tribunal under section 59G in respect of the decision.

Textual Amendments

F210 Ss. 59A-59G 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. 206](#)

59D Extensions of time

- (1) If under section 59A HMRC have offered P a review of a decision, HMRC may within the relevant period notify P that the relevant period is extended.
- (2) If under section 59B another person may require HMRC to review a matter, HMRC may within the relevant period notify the other person that the relevant period is extended.

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- (3) If notice is given the relevant period is extended to the end of 30 days from—
 - (a) the date of the notice, or
 - (b) any other date set out in the notice or a further notice.
- (4) In this section “relevant period” means—
 - (a) the period of 30 days referred to in—
 - (i) section 59C(1)(b) (in a case falling within subsection (1)), or
 - (ii) section 59B(2) (in a case falling within subsection (2)), or
 - (b) if notice has been given under subsection (1) or (2), that period as extended (or as most recently extended) in accordance with subsection (3).

Textual Amendments

F210 Ss. 59A-59G 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. 206**

59E Review out of time

- (1) This section applies if—
 - (a) HMRC have offered a review of a decision under section 59A and P does not accept the offer within the time allowed under section 59C(1)(b) or 59D(3); or
 - (b) a person who requires a review under section 59B does not notify HMRC within the time allowed under that section or section 59D(3).
- (2) HMRC must review the decision under section 59C if—
 - (a) after the time allowed, P, or the other person, notifies HMRC in writing requesting a review out of time,
 - (b) HMRC are satisfied that P, or the other person, had a reasonable excuse for not accepting the offer or requiring review within the time allowed, and
 - (c) HMRC are satisfied that P, or the other person, made the request without unreasonable delay after the excuse had ceased to apply.
- (3) HMRC shall not review a decision if P, or another person, has appealed to the appeal tribunal under section 59G in respect of the decision.

Textual Amendments

F210 Ss. 59A-59G 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. 206**

59F Nature of review etc

- (1) This section applies if HMRC are required to undertake a review under section 59C or 59E.
- (2) The nature and extent of the review are to be such as appear appropriate to HMRC in the circumstances.
- (3) For the purpose of subsection (2), HMRC must, in particular, have regard to steps taken before the beginning of the review—

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- (a) by HMRC in reaching the decision, and
 - (b) by any person in seeking to resolve disagreement about the decision.
- (4) The review must take account of any representations made by P, or the other person, at a stage which gives HMRC a reasonable opportunity to consider them.
- (5) The review may conclude that the decision is to be—
 - (a) upheld,
 - (b) varied, or
 - (c) cancelled.
- (6) HMRC must give P, or the other person, notice of the conclusions of the review and their reasoning within—
 - (a) a period of 45 days beginning with the relevant date, or
 - (b) such other period as HMRC and P, or the other person, may agree.
- (7) In subsection (6) “relevant date” means—
 - (a) the date HMRC received P’s notification accepting the offer of a review (in a case falling within section 59A), or
 - (b) the date HMRC received notification from another person requiring review (in a case falling within section 59B), or
 - (c) the date on which HMRC decided to undertake the review (in a case falling within section 59E).
- (8) Where HMRC are required to undertake a review but do not give notice of the conclusions within the time period specified in subsection (6), the review is to be treated as having concluded that the decision is upheld.
- (9) If subsection (8) applies, HMRC must notify P or the other person of the conclusion which the review is treated as having reached.

Textual Amendments

F210 Ss. 59A-59G 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. 206](#)

59G Bringing of appeals

- (1) An appeal under section 59 is to be made to the appeal tribunal before—
 - (a) the end of the period of 30 days beginning with—
 - (i) in a case where P is the appellant, the date of the document notifying the decision to which the appeal relates, or
 - (ii) in a case where a person other than P is the appellant, the date that person becomes aware of the decision, or
 - (b) if later, the end of the relevant period (within the meaning of section 59D).
- (2) But that is subject to subsections (3) to (5).
- (3) In a case where HMRC are required to undertake a review under section 59C—
 - (a) an appeal may not be made until the conclusion date, and
 - (b) any appeal is to be made within the period of 30 days beginning with the conclusion date.

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- [^{F211}(4) In a case where HMRC are requested to undertake a review by virtue of section 59E—
- (a) an appeal may not be made to an appeal tribunal—
 - (i) unless HMRC have notified P, or the other person, as to whether or not a review will be undertaken, and
 - (ii) if HMRC have notified P, or the other person, that a review will be undertaken, until the conclusion date;
 - (b) any appeal where paragraph (a)(ii) applies is to be made within the period of 30 days beginning with the conclusion date;
 - (c) if HMRC have notified P, or the other person, that a review will not be undertaken, an appeal may be made only if the appeal tribunal gives permission to do so.]
- (5) In a case where section 59F(8) applies, an appeal may be made at any time from the end of the period specified in section 59F(6) to the date 30 days after the conclusion date.
- (6) An appeal may be made after the end of the period specified in subsection (1), (3)(b), (4)(b) or (5) if the appeal tribunal gives permission to do so.
- (7) In this section “conclusion date” means the date of the document notifying the conclusion of the review.]

Textual Amendments

F210 Ss. 59A-59G 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. 206**

F211 S. 59G(4) substituted (1.6.2014) by [The Revenue and Customs \(Amendment of Appeal Provisions for Out of Time Reviews\) Order 2014 \(S.I. 2014/1264\)](#), arts. 1(2), **3** (with art. 1(3))

60 [^{F212}Further provisions relating to appeals]

^{F213}(1)

- (2) Without prejudice to paragraph 13 of Schedule 7 to this Act, nothing in [^{F214}section 59] above shall be taken to confer on a tribunal any power to vary an amount assessed by way of penalty or interest except in so far as it is necessary to reduce it to the amount which is appropriate under paragraphs 12 to 21 of that Schedule.

^{F215}(3)

[^{F216}(4) Subject to subsections (4A) and (4B), where the appeal is against the decisions with respect to any of the matters mentioned in section 59(1)(b) and (d), it shall not be entertained unless the amount which HMRC have determined to be payable as tax has been paid or deposited with them.

(4A) In a case where the amount determined to be payable as tax has not been paid or deposited an appeal shall be entertained if—

- (a) HMRC are satisfied (on the application of the appellant), or
- (b) the appeal tribunal decides (HMRC not being so satisfied and on the application of the appellant),
that the requirement to pay or deposit the amount determined would cause the appellant to suffer hardship.

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- (4B) Notwithstanding the provisions of sections 11 and 13 of the Tribunals, Courts and Enforcement Act 2007, the decision of the appeal tribunal as to the issue of hardship is final.]
- (5) Where on an appeal against a decision with respect to any of the matters mentioned in section 59(1)(d) above—
- (a) it is found that the amount specified in the assessment is less than it ought to have been, and
 - (b) the tribunal gives a direction specifying the correct amount,
- the assessment shall have effect as an assessment of the amount specified in the direction and that amount shall be deemed to have been notified to the appellant.
- (6) Where on an appeal under this section it is found that the whole or part of any amount paid or deposited in pursuance of subsection (4) above is not due, so much of that amount as is found not to be due shall be repaid with interest [^{F217}at the rate applicable under section 197 of the Finance Act 1996] .
- (7) Where on an appeal under this section it is found that the whole or part of any amount due to the appellant by virtue of regulations under section 55(3)(c) or (d) or (f) above has not been paid, so much of that amount as is found not to have been paid shall be paid with interest [^{F218}at the rate applicable under section 197 of the Finance Act 1996] .
- (8) Where an appeal under this section has been entertained notwithstanding that an amount determined by [^{F219}HMRC] to be payable as tax has not been paid or deposited and it is found on the appeal that that amount is due [^{F220}it shall be paid with interest at the rate applicable under section 197 of the Finance Act 1996.]
- [^{F221}(8A) Interest under subsection (8) shall be paid without any deduction of income tax.]
- (9) On an appeal against an assessment to a penalty under paragraph 12 of Schedule 7 to this Act, the burden of proof as to the matters specified in paragraphs (a) and (b) of sub-paragraph (1) of paragraph 12 shall lie upon [^{F222}HMRC] .
- [^{F223}(10) Sections 85 and 85B of the Value Added Tax Act 1994 (settling of appeals by agreement and payment of tax where there is a further appeal) shall have effect as if—
- (a) the references to section 83 of that Act included references to section 59 above, and
 - (b) the references to value added tax included references to insurance premium tax.]

Textual Amendments

- F212** S. 60 heading 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. 207(2)** (with Sch. 3 paras. 2-4)
- F213** S. 60(1) 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. 207(3)** (with Sch. 3 paras. 2-4)
- F214** Words in s. 60(2) 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. 207(4)** (with Sch. 3 paras. 2-4)
- F215** S. 60(3) 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. 207(5)** (with Sch. 3 paras. 2-4)
- F216** S. 60(4)-(4B) substituted for s. 60(4) (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. 207(6)** (with Sch. 3 paras. 2-4)

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- F217** Words in s. 60(6) 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. 207(7)** (with Sch. 3 paras. 2-4, 9(2)(b))
- F218** Words in s. 60(7) 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. 207(8)** (with Sch. 3 paras. 2-4, 9(2)(b))
- F219** Word in s. 60(8) 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. 207(9)(a)** (with Sch. 3 paras. 2-4, 9(2)(b))
- F220** Words in s. 60(8) 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. 207(9)(b)** (with Sch. 3 paras. 2-4, 9(2)(b))
- F221** S. 60(8A) 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. 207(10)** (with Sch. 3 paras. 2-4)
- F222** Word in s. 60(9) 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. 207(11)** (with Sch. 3 paras. 2-4)
- F223** S. 60(10) 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. 207(12)** (with Sch. 3 paras. 2-4)

Modifications etc. (not altering text)

- C61** S. 60 extended (19.3.1997) by [1997 c. 16](#), s. 50(1), **Sch. 5 para. 19(2)**

Commencement Information

- I15** S. 60 wholly in force at 1.10.1994 by [S.I. 1994/1773](#), **art. 2**

61 Review and appeal: commencement.

Sections 59 and 60 above shall come into force on such day as may be appointed by order.

Subordinate Legislation Made

- P3** S. 61 power exercised: 1.10.1994 appointed by [S.I. 1994/1773](#), **art. 2**

Miscellaneous

62 Partnership, bankruptcy, transfer of business, etc.

- (1) Regulations may make provision for determining by what persons anything required by this Part to be done by an insurer [^{F224}or taxable intermediary] is to be done where the business concerned is carried on in partnership or by another unincorporated body.
- (2) The registration under this Part of an unincorporated body other than a partnership may be in the name of the body concerned; and in determining whether premiums are received by such a body no account shall be taken of any change in its members.
- (3) Regulations may make provision for determining by what person anything required by this Part to be done by an insurer is to be done in a case where insurance business is carried on by persons who are underwriting members of Lloyd's and are members of a syndicate of such underwriting members.

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- (4) Regulations may—
- (a) make provision for the registration for the purposes of this Part of a syndicate of underwriting members of Lloyd's;
 - (b) provide that for purposes prescribed by the regulations no account shall be taken of any change in the members of such a syndicate;
- and regulations under paragraph (a) above may modify section 53 above.
- (5) As regards any case where a person carries on a business of an insurer [^{F224}or taxable intermediary] who has died or become bankrupt or incapacitated or been sequestrated, or of an insurer [^{F224}or taxable intermediary] which is in liquidation or receivership or [^{F225}administration], regulations may—
- (a) require the person to inform the Commissioners of the fact that he is carrying on the business and of the event that has led to his carrying it on;
 - (b) make provision allowing the person to be treated for a limited time as if he were the insurer [^{F224}or taxable intermediary];
 - (c) make provision for securing continuity in the application of this Part where a person is so treated.
- (6) Regulations may make provision for securing continuity in the application of this Part in cases where a business carried on by a person is transferred to another person as a going concern.
- (7) Regulations under subsection (6) above may in particular provide—
- (a) for liabilities and duties under this Part of the transferor to become, to such extent as may be provided by the regulations, liabilities and duties of the transferee;
 - (b) for any right of either of them to repayment or credit in respect of tax to be satisfied by making a repayment or allowing a credit to the other;
- but the regulations may provide that no such provision as is mentioned in paragraph (a) or (b) of this subsection shall have effect in relation to any transferor and transferee unless an application in that behalf has been made by them under the regulations.

Textual Amendments

F224 Words in s. 62(1)(5) inserted (19.3.1997) by 1997 c. 16, s. 27(7)

F225 Word in s. 62(5) substituted (15.9.2003) by The Enterprise Act 2002 (Insolvency) Order 2003 (S.I. 2003/2096), art. 1(1), Sch. para. 23 (with art. 6)

63 Groups of companies.

- (1) Where under the following provisions of this section any bodies corporate are treated as members of a group, for the purposes of this Part—
- (a) any taxable business carried on by a member of the group shall be treated as carried on by the representative member,
 - [^{F226}(aa) any business carried on by a member of the group who is a taxable intermediary shall be treated as carried on by the representative member,]
 - (b) the representative member shall be taken to be the insurer in relation to any taxable insurance contract as regards which a member of the group is the actual insurer,

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- [^{F227}(bb) the representative member shall be taken to be the taxable intermediary in relation to any taxable intermediary's fees as regards which a member of the group is the actual taxable intermediary,]
- (c) any receipt by a member of the group of a premium under a taxable insurance contract shall be taken to be a receipt by the representative member, and
- (d) all members of the group shall be jointly and severally liable for any tax due from the representative member.
- (2) Two or more bodies corporate are eligible to be treated as members of a group if each of them falls within subsection (3) below and—
- (a) one of them controls each of the others,
- (b) one person (whether a body corporate or an individual) controls all of them, or
- (c) two or more individuals carrying on a business in partnership control all of them.
- (3) A body falls within this subsection if it is resident in the United Kingdom or it has an established place of business in the United Kingdom.
- (4) Where an application to that effect is made to the Commissioners with respect to two or more bodies corporate eligible to be treated as members of a group, then—
- (a) from the beginning of an accounting period they shall be so treated, and
- (b) one of them shall be the representative member,
- unless the Commissioners refuse the application; and the Commissioners shall not refuse the application unless it appears to them necessary to do so for the protection of the revenue.
- (5) Where any bodies corporate are treated as members of a group and an application to that effect is made to the Commissioners, then, from the beginning of an accounting period—
- (a) a further body eligible to be so treated shall be included among the bodies so treated,
- (b) a body corporate shall be excluded from the bodies so treated,
- (c) another member of the group shall be substituted as the representative member, or
- (d) the bodies corporate shall no longer be treated as members of a group,
- unless the application is to the effect mentioned in paragraph (a) or (c) above and the Commissioners refuse the application.
- (6) The Commissioners may refuse an application under subsection (5)(a) or (c) above only if it appears to them necessary to do so for the protection of the revenue.
- (7) Where a body corporate is treated as a member of a group as being controlled by any person and it appears to the Commissioners that it has ceased to be so controlled, they shall, by notice given to that person, terminate that treatment from such date as may be specified in the notice.
- (8) An application under this section with respect to any bodies corporate must be made by one of those bodies or by the person controlling them and must be made not less than 90 days before the date from which it is to take effect, or at such later time as the Commissioners may allow.
- (9) For the purposes of this section a body corporate shall be taken to control another body corporate if it is empowered by statute to control that body's activities or if it is that

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body's holding company within the meaning of section [F228 1159 of and Schedule 6 to] the M18 Companies Act [F228 2006] ; and an individual or individuals shall be taken to control a body corporate if he or they, were he or they a company, would be that body's holding company within the meaning of [F228 those provisions] .

Textual Amendments

F226 S. 63(1)(aa) inserted (19.3.1997) by 1997 c. 16, s. 27(8)(a)

F227 S. 63(1)(bb) inserted (19.3.1997) by 1997 c. 16, s. 27(8)(b)

F228 Words in s. 63(9) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments) (Taxes and National Insurance) Order 2009 (S.I. 2009/1890), arts. 1(1), 4(1)(b)

Marginal Citations

M18 1985 c. 6.

64 Information, powers, penalties, etc.

Schedule 7 to this Act (which contains provisions relating to information, powers, penalties and other matters) shall have effect.

65 Liability of insured in certain cases.

(1) Regulations may make provision under this section with regard to any case where at any time F229 ... [F230 the insurer—

- (a) does not have any business establishment or other fixed establishment in the United Kingdom, and
- (b) is established in a country or territory in respect of which it appears to the Commissioners that the condition in subsection (1A) below is met.]

[F231 (1A) The condition mentioned in subsection (1)(b) above is that there are no arrangements in relation to the country or territory relating to insurance premium tax which—

- (a) have effect by virtue of an Order in Council under section 173 of the Finance Act 2006, and
- (b) contain provision of a kind mentioned in subsection (2)(a) and (b) of that section.]

(2) Regulations may make provision allowing notice to be served in accordance with the regulations on—

- (a) the person who is insured under a taxable insurance contract, if there is one insured person, or
- (b) one or more of the persons who are insured under a taxable insurance contract, if there are two or more insured persons;

and a notice so served is referred to in this section as a liability notice.

(3) Regulations may provide that if a liability notice has been served in accordance with the regulations—

- (a) the Commissioners may assess to the best of their judgment the amount of any tax due in respect of premiums received by the insurer under the contract concerned after the material date and before the date of the assessment, and
- (b) that amount shall be deemed to be the amount of tax so due.

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- (4) The material date is—
- (a) where there is one person on whom a liability notice has been served in respect of the contract, the date when the notice was served or such later date as may be specified in the notice;
 - (b) where there are two or more persons on whom liability notices have been served in respect of the contract, the date when the last of the notices was served or such later date as may be specified in the notices.
- (5) Regulations may provide that where—
- (a) an assessment is made in respect of a contract under provision included in the regulations by virtue of subsection (3) above, and
 - (b) the assessment is notified to the person, or each of the persons, on whom a liability notice in respect of the contract has been served,
- the persons mentioned in subsection (6) below shall be jointly and severally liable to pay the tax assessed, and that tax shall be recoverable accordingly.
- (6) The persons are—
- (a) the person or persons mentioned in subsection (5)(b) above, and
 - (b) the insurer.
- (7) Where regulations make provision under subsection (5) above they must also provide that any provision made under that subsection shall not apply if, or to the extent that, the assessment has subsequently been withdrawn or reduced.
- (8) Regulations may make provision as to the time within which, and the manner in which, tax which has been assessed is to be paid.
- (9) Where any amount is recovered from an insured person by virtue of regulations made under this section, the insurer shall be liable to pay to the insured person an amount equal to the amount recovered; and regulations may make provision requiring an insurer to pay interest where this subsection applies.
- (10) Regulations may make provision for adjustments to be made of a person's liability in any case where—
- (a) an assessment is made under section 56 above in relation to the insurer, and
 - (b) an assessment made by virtue of regulations under this section relates to premiums received (or assumed for the purposes of the assessment to be received) within a period which corresponds to any extent with the accounting period to which the assessment under section 56 relates.
- (11) Regulations may make provision as regards a case where—
- (a) an assessment made in respect of a contract by virtue of regulations under this section relates to premiums received (or assumed for the purposes of the assessment to be received) within a given period, and
 - (b) an amount of tax is paid by the insurer in respect of an accounting period which corresponds to any extent with that period;
- and the regulations may include provision for determining whether, or how much of, any of the tax paid as mentioned in paragraph (b) above is attributable to premiums received under the contract in the period mentioned in paragraph (a) above.
- (12) Regulations may—

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- (a) make provision requiring the Commissioners, in prescribed circumstances, to furnish prescribed information to an insured person;
 - (b) make provision requiring any person on whom a liability notice has been served to keep records, to furnish information, or to produce documents for inspection or cause documents to be produced for inspection;
 - (c) make such provision as the Commissioners think is reasonable for the purpose of facilitating the recovery of tax from the persons having joint and several liability (rather than from the insurer alone);
 - (d) modify the effect of any provision of this Part.
- (13) Regulations may provide for an insured person to be liable to pay tax assessed by virtue of the regulations notwithstanding that he has already paid an amount representing tax as part of a premium.

Textual Amendments

F229 Words in s. 65(1) omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\), s. 142\(1\)\(b\)](#)

F230 Words in s. 65(1) substituted (21.7.2008) by [Finance Act 2008 \(c. 9\), s. 143\(2\)](#)

F231 S. 65(1A) substituted for s. 65(1A)(1B) (17.12.2020 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Post-transition Period\) Act 2020 \(c. 26\), ss. 8, 11\(1\)\(e\)](#) (with [Sch. 2 para. 7\(7\)-\(9\)](#)); [S.I. 2020/1642, reg. 9](#)

66 Directions as to amounts of premiums.

- (1) This section applies where—
- (a) anything is received by way of premium under a taxable insurance contract, and
 - (b) the amount of the premium is less than it would be if it were received under the contract in open market conditions.
- (2) The Commissioners may direct that the amount of the premium shall be taken for the purposes of this Part to be such amount as it would be if it were received under the contract in open market conditions.
- (3) A direction under subsection (2) above shall be given by notice in writing to the insurer, and no direction may be given more than three years after the time of the receipt.
- (4) Where the Commissioners make a direction under subsection (2) above in the case of a contract they may also direct that if—
- (a) anything is received by way of premium under the contract after the giving of the notice or after such later date as may be specified in the notice, and
 - (b) the amount of the premium is less than it would be if it were received under the contract in open market conditions,
- the amount of the premium shall be taken for the purposes of this Part to be such amount as it would be if it were received under the contract in open market conditions.
- (5) For the purposes of this section a premium is received in open market conditions if it is received—
- (a) by an insurer standing in no such relationship with the insured person as would affect the premium, and

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- (b) in circumstances where there is no other contract or arrangement affecting the parties.
- (6) For the purposes of this section it is immaterial whether what is received by way of premium is money or something other than money or both.

[^{F232}66A Rate increases: deemed date of receipt of certain premiums

- (1) This section applies where a Minister of the Crown announces a proposed increase in the rate at which tax is to be charged on a premium if it is received by the insurer on or after a date specified in the announcement (“the change date”).
- (2) This section applies whether or not the announcement includes an announcement of a proposed exception from the increase (for example, for premiums in respect of risks for which the period of cover begins before the change date).
- (3) Subsection (4) applies where—
 - (a) a premium under a contract of insurance is received by the insurer on or after the date of the announcement and before the change date, and
 - (b) the period of cover for the risk begins on or after the change date.
- (4) For the purposes of this Part the premium is to be taken to be received on the change date.
- (5) Subsection (6) applies where—
 - (a) a premium under a contract of insurance is received by the insurer on or after the date of the announcement and before the change date,
 - (b) the period of cover for the risk—
 - (i) begins before the change date, and
 - (ii) ends on or after the first anniversary of the change date (“the first anniversary”), and
 - (c) the premium, or any part of it, is attributable to such of the period of cover as falls on or after the first anniversary.
- (6) For the purposes of this Part—
 - (a) so much of the premium as is attributable to such of the period of cover as falls on or after the first anniversary is to be taken to be received on the change date, and
 - (b) so much as is so attributable is to be taken to be a separate premium.
- (7) In determining whether the condition in subsection (3)(a) or (5)(a) is met, regulations under section 68(3) or (7) apply as they would apart from this section.
- (8) But where subsection (4) or (6) applies—
 - (a) that subsection has effect despite anything in section 68 or regulations under that section, and
 - (b) any regulations under section 68 have effect as if the entry made in the accounts of the insurer showing the premium as due to the insurer had been made as at the change date.
- (9) A premium treated by subsection (6) as received on the change date is not to be taken to fall within any exception, from an increase announced by the announcement, for premiums in respect of risks for which the period of cover begins before the change date.

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(10) Any attribution under this section is to be made on such basis as is just and reasonable.

(11) In this section—

“increase”, in relation to the rate of tax, includes the imposition of a charge to tax by adding to the descriptions of contract which are taxable insurance contracts;

“Minister of the Crown” has the same meaning as in the Ministers of the Crown Act 1975.

Textual Amendments

F232 Ss. 66A-66C inserted (with effect in accordance with s. 18(4) of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [s. 18\(2\)](#)

66B Section 66A: exceptions and apportionments

(1) Section 66A(3) and (4) do not apply in relation to a premium if the risk to which that premium relates belongs to a class of risk as regards which the normal practice is for a premium to be received by or on behalf of the insurer before the date when cover begins.

(2) Section 66A(5) and (6) do not apply in relation to a premium if the risk to which that premium relates belongs to a class of risk as regards which the normal practice is for cover to be provided for a period of more than twelve months.

(3) If a contract relates to more than one risk, then in the application of section 66A(3) and (4) or 66A(5) and (6)—

- (a) the reference in section 66A(3)(b) or (5)(b) to the risk is to be read as a reference to any given risk,
- (b) so much of the premium as is attributable to any given risk is to be taken for the purposes of section 66A(3) and (4) or 66A(5) and (6) to be a separate premium relating to that risk,
- (c) those provisions then apply separately in the case of each given risk and the separate premium relating to it, and
- (d) any further attribution required by section 66A(5) and (6) is to be made accordingly,

and subsections (1) and (2) and section 66A(9) apply accordingly.

(4) Any attribution under this section is to be made on such basis as is just and reasonable.

Textual Amendments

F232 Ss. 66A-66C inserted (with effect in accordance with s. 18(4) of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [s. 18\(2\)](#)

66C Rate changes: premiums relating to more than one period of cover

(1) This section applies if any Act—

- (a) makes an amendment of section 51(2)(a) or (b) which alters the higher rate or standard rate (“the relevant rate”),

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- (b) provides for the amendment to have effect in relation to a premium falling to be regarded for the purposes of this Part as received under a taxable insurance contract by an insurer on or after a particular date (“the change date”), and
 - (c) makes provision that excepts from that amendment a premium which is in respect of a risk for which the period of cover begins before the change date.
- (2) Subsection (3) applies if a premium which is liable to tax at the relevant rate, and which falls to be regarded for the purposes of this Part as received under a taxable insurance contract by an insurer on or after the change date, is—
 - (a) partly in respect of a risk for which the period of cover begins before the change date, and
 - (b) partly in respect of a risk for which the period of cover begins on or after that date.
- (3) So much of the premium as is attributable to the risk for which the period of cover begins on or after the change date is to be treated for the purposes of this Part and the provision mentioned in subsection (1)(c) as a separate premium.
- (4) Where a premium is in respect of a relevant rate matter and also a matter that is not a relevant rate matter—
 - (a) for the purposes of the provision mentioned in subsection (1)(c), the premium is to be treated as in respect of a risk for which the period of cover begins before the change date if the part of it attributable to the relevant rate matter is in respect of such a risk, and
 - (b) the reference in subsection (2) to a premium which is liable to tax at the relevant rate is to be read as a reference to so much of the premium as is attributable to the relevant rate matter (and subsection (3) is to be read accordingly).
- (5) If premiums of any description are excluded from the exception mentioned in subsection (1)(c), nothing in subsections (2) to (4) applies to a premium of that description.
- (6) Nothing in subsection (4) applies to an excepted premium (within the meaning given by section 69A).
- (7) Any attribution under this section is to be made on such basis as is just and reasonable.
- (8) In this section a “relevant rate matter” means—
 - (a) where the relevant rate is the standard rate, a standard rate matter as defined by section 69(12)(c);
 - (b) where the relevant rate is the higher rate, a higher rate matter as defined by section 69(12)(d).
- (9) In subsection (1) the reference to any Act includes a resolution which has statutory effect under the Provisional Collection of Taxes Act 1968.]

Textual Amendments

F232 Ss. 66A-66C inserted (with effect in accordance with s. 18(4) of the amending Act) by [Finance Act 2017 \(c. 10\)](#), [s. 18\(2\)](#)

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^{F233}**67 Deemed date of receipt of certain premiums.**

.....

Textual Amendments

F233 [S. 67](#) omitted (27.4.2017) by virtue of [Finance Act 2017 \(c. 10\), s. 18\(3\)\(a\)](#)

^{F234}**67A Announced increase in rate of tax: certain premiums treated as received on date of increase.**

.....

Textual Amendments

F234 [Ss. 67A-67C](#) omitted (with effect in accordance with s. 18(4) of the amending Act) by virtue of [Finance Act 2017 \(c. 10\), s. 18\(3\)\(b\)](#) (with [s. 18\(5\)](#))

^{F234}**67B Announced increase in rate of tax: certain contracts treated as made on date of increase.**

.....

Textual Amendments

F234 [Ss. 67A-67C](#) omitted (with effect in accordance with s. 18(4) of the amending Act) by virtue of [Finance Act 2017 \(c. 10\), s. 18\(3\)\(b\)](#) (with [s. 18\(5\)](#))

^{F234}**67C Announced increase in rate of tax: exceptions and apportionments.**

.....

Textual Amendments

F234 [Ss. 67A-67C](#) omitted (with effect in accordance with s. 18(4) of the amending Act) by virtue of [Finance Act 2017 \(c. 10\), s. 18\(3\)\(b\)](#) (with [s. 18\(5\)](#))

68 Special accounting schemes.

- (1) Regulations may make provision establishing a scheme in accordance with the following provisions of this section; and in this section “a relevant accounting period”, in relation to an insurer, means an accounting period as regards which the scheme applies to the insurer.
- (2) Regulations may provide that if an insurer notifies the Commissioners that the scheme should apply to him as regards accounting periods beginning on or after a date specified in the notification and prescribed conditions are fulfilled, then, subject to any provision made under subsection (9) below, the scheme shall apply to the insurer as regards accounting periods beginning on or after that date.

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(3) Regulations may provide that where—

- (a) an entry is made in the accounts of an insurer showing a premium under a taxable insurance contract as due to him, and
- (b) the entry is made as at a particular date which falls within a relevant accounting period,

then (whether or not that date is one on which the premium is actually received by the insurer or on which the premium would otherwise be treated for the purposes of this Part as received by him) the premium shall for the purposes of this Part be taken to be received by the insurer on that date or, in prescribed circumstances, to be received by him on a different date determined in accordance with the regulations.

(4) Where regulations make provision under subsection (3) above they may also provide that, for the purposes of this Part, the amount of the premium shall be taken to be the amount which the entry in the accounts treats as its amount.

(5) Regulations may provide that provision made under subsections (3) and (4) above shall apply even if the premium, or part of it, is never actually received by the insurer or on his behalf; and the regulations may include provision that, where the premium is never actually received because the contract under which it would have been received is never entered into or is terminated, the premium is nonetheless to be taken for the purposes of this Part to be received under a taxable insurance contract.

(6) Regulations may provide that any provision made under subsection (4) above shall be subject to any directions made under section 66 above.

(7) Regulations may provide that where a premium is treated as received on a particular date by virtue of provision made under subsection (3) above and there is another date on which the premium—

- (a) is actually received by the insurer, or
- (b) would, apart from the regulations, be treated for the purposes of this Part as received by him,

the premium shall be taken for the purposes of this Part not to be received by him on that other date.

(8) Regulations may provide that provision made under subsection (7) above shall apply only to the extent that there is no excess of the actual amount of the premium over the amount which, by virtue of regulations under this section or of a direction under section 66 above, is to be taken for the purposes of this Part to be its amount; and the regulations may include provision that where there is such an excess, the excess amount shall be taken for the purposes of this Part to be a separate premium and to be received by the insurer on a date determined in accordance with the regulations.

(9) Regulations may provide that if a notification has been given in accordance with provision made under subsection (2) above and subsequently—

- (a) the insurer gives notice to the Commissioners that the scheme should not apply to him as regards accounting periods beginning on or after a date specified in the notice, or
- (b) the Commissioners give notice to the insurer that the scheme is not to apply to him as regards accounting periods beginning on or after a date specified in the notice,

then, if prescribed conditions are fulfilled, the scheme shall not apply to the insurer as regards an accounting period beginning on or after the date specified in the notice

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mentioned in paragraph (a) or (b) above unless the circumstances are such as may be prescribed.

(10) Regulations may include provision—

- (a) enabling an insurer to whom the scheme applies as regards an accounting period to account for tax due in respect of that period on the assumption that the scheme will apply to him as regards subsequent accounting periods;
- (b) designed to secure that, where the scheme ceases to apply to an insurer, any tax which by virtue of provision made under paragraph (a) above has not been accounted for is accounted for and paid.

(11) Regulations may provide that where—

- (a) an entry in the accounts of an insurer shows a premium as due to him,
- (b) the entry is made as at a date falling before 1st October 1994,
- (c) tax in respect of the receipt of the premium would, apart from the regulations, be charged by reference to a date (whether or not the date on which the premium is actually received by the insurer) falling on or after 1st October 1994,
- (d) the date by reference to which tax would be charged falls within a relevant accounting period, and
- (e) prescribed conditions are fulfilled,

the premium, or such part of it as may be found in accordance with prescribed rules, shall be taken for the purposes of this Part to have been received by the insurer before 1st October 1994.

(12) Without prejudice to subsection (13) below, regulations may include provision modifying any provision made under this section so as to secure the effective operation of the provision in a case where a premium consists wholly or partly of anything other than money.

(13) Regulations may modify the effect of any provision of this Part.

(14) The reference in subsection (3)(a) above to a premium under a taxable insurance contract includes a reference to anything that, although not actually received by or on behalf of the insurer, would be such a premium if it were so received.

^{F235} **69 Charge to tax where different rates of tax apply.**

(1) This section applies for the purpose of determining the chargeable amount in a case where a contract provides cover falling within any one of the following paragraphs, that is to say—

- (a) cover for one or more exempt matters,
- (b) cover for one or more standard rate matters, or
- (c) cover for one or more higher rate matters,

and also provides cover falling within another of those paragraphs.

[But this section does not apply for the purpose of determining the chargeable amount ^{F236}(1A) in relation to an excepted premium (as to which see section 69A).]

(2) In the following provisions of this section “the non-exempt premium” means the difference between—

- (a) the amount of the premium; and

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- (b) such part of the premium as is attributable to any exempt matter or matters or, if no part is so attributable, nil.
- (3) If the contract provides cover for one or more exempt matters and also provides cover for either—
 - (a) one or more standard rate matters, or
 - (b) one or more higher rate matters,the chargeable amount is such amount as, with the addition of the tax chargeable at the standard rate or (as the case may be) the higher rate, is equal to the non-exempt premium.
- (4) If the contract provides cover for both—
 - (a) one or more standard rate matters, and
 - (b) one or more higher rate matters,the higher rate element and the standard rate element shall be found in accordance with the following provisions of this section.
- (5) For the purposes of this section—
 - (a) “the higher rate element” is such portion of the non-exempt premium as is attributable to the higher rate matters (including tax at the higher rate); and
 - (b) “the standard rate element” is the difference between—
 - (i) the non-exempt premium; and
 - (ii) the higher rate element.
- (6) In a case falling within subsection (4) above, tax shall be charged separately—
 - (a) at the standard rate, by reference to the standard rate chargeable amount, and
 - (b) at the higher rate, by reference to the higher rate chargeable amount,and the tax chargeable in respect of the premium is the aggregate of those amounts of tax.
- (7) For the purposes of this section—
 - “the higher rate chargeable amount” is such amount as, with the addition of the tax chargeable at the higher rate, is equal to the higher rate element;
 - “the standard rate chargeable amount” is such amount as, with the addition of the tax chargeable at the standard rate, is equal to the standard rate element.
- (8) References in this Part to the chargeable amount shall, in a case falling within subsection (4) above, be taken as referring separately to the standard rate chargeable amount and the higher rate chargeable amount.
- (9) In applying subsection (2)(b) above, any amount that is included in the premium as being referable to tax (whether or not the amount corresponds to the actual amount of tax payable in respect of the premium) shall be taken to be wholly attributable to the non-exempt matter or matters.
- (10) In applying subsection (5)(a) above, any amount that is included in the premium as being referable to tax at the higher rate (whether or not the amount corresponds to the actual amount of tax payable at that rate in respect of the premium) shall be taken to be wholly attributable to the higher rate element.
- (11) Subject to subsections (9) and (10) above, any attribution under subsection (2)(b) or (5)(a) above shall be made on such basis as is just and reasonable.

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- (12) For the purposes of this section—
- (a) an “exempt matter” is any matter such that, if it were the only matter for which the contract provided cover, the contract would not be a taxable insurance contract;
 - (b) a “non-exempt matter” is a matter which is not an exempt matter;
 - (c) a “standard rate matter” is any matter such that, if it were the only matter for which the contract provided cover, tax at the standard rate would be chargeable on the chargeable amount;
 - (d) a “higher rate matter” is any matter such that, if it were the only matter for which the contract provided cover, tax at the higher rate would be chargeable on the chargeable amount.
- (13) If the contract relates to a lifeboat and lifeboat equipment, the lifeboat and the equipment shall be taken together in applying this section.
- (14) For the purposes of this section “lifeboat” and “lifeboat equipment” have the same meaning as in paragraph 6 of Schedule 7A to this Act.]

Textual Amendments

F235 S. 69 substituted (19.3.1997) by [1997 c. 16, s. 23\(1\)](#)

F236 S. 69(1A) inserted (1.3.2012) by [The Enactment of Extra-Statutory Concessions Order 2012 \(S.I. 2012/266\)](#), arts. 1, [2\(4\)](#)

[^{F237} 69A Part-exempt contracts: excepted premiums

- (1) Where—
- (a) an insurer at any time (“the relevant time”) receives a premium under a part-exempt contract, and
 - (b) the conditions in subsection (2) are met,
- the chargeable amount in relation to the premium is nil.
- (2) The conditions are that—
- (a) the relevant total is £500,000 or less, and
 - (b) 10% or less of the relevant total is attributable to any non-exempt matter or matters.
- (3) For this purpose “the relevant total” is the total of—
- (a) the amount of the premium,
 - (b) the amount of any other premium received by the insurer under the contract at or before the relevant time, and
 - (c) the amount of any premium that, at the relevant time, the insurer has a present or future right to receive under the contract.
- (4) In applying subsection (2)(b), any amount that is included in a premium as being referable to tax (whether or not the amount corresponds to the actual amount of tax payable in respect of the premium) shall be taken to be wholly attributable to a non-exempt matter.
- (5) Subject to that, any attribution under subsection (2)(b) is to be made on such basis as is just and reasonable.

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(6) For the purposes of this section—

- (a) an “exempt matter” is any matter such that, if it were the only matter for which the contract provided cover, the contract would not be a taxable insurance contract, and
- (b) a “non-exempt matter” is a matter which is not an exempt matter.

(7) In this Part—

“excepted premium” means a premium under an insurance contract in relation to which, by virtue of subsection (1), the chargeable amount is nil;

“part-exempt contract” means an insurance contract that provides—

- (a) cover for one or more exempt matters, and
- (b) cover for one or more non-exempt matters.

Textual Amendments

F237 Ss. 69A-69D inserted (1.3.2012) by [The Enactment of Extra-Statutory Concessions Order 2012 \(S.I. 2012/266\)](#), arts. 1, **2(5)**

69B Treatment of excepted premiums where limits breached after receipt

(1) This section applies if—

- (a) an insurer at any time—
 - (i) receives a premium under a part-exempt contract that is not an excepted premium, or
 - (ii) acquires a present or future right to receive a premium under a part-exempt contract that, on receipt, will not be an excepted premium,
- (b) one or more excepted premiums were previously received by the insurer under the contract, and
- (c) this section has not already applied in relation to the contract.

(2) The insurer is deemed for the purposes of this Part to have received, at the time mentioned in subsection (1)(a), premiums under the contract of the same amounts, and attributable to the same matters, as the excepted premiums mentioned in subsection (1)(b).

Textual Amendments

F237 Ss. 69A-69D inserted (1.3.2012) by [The Enactment of Extra-Statutory Concessions Order 2012 \(S.I. 2012/266\)](#), arts. 1, **2(5)**

69C Part-exempt contracts: exemption from requirement to make returns

- (1) If the condition in subsection (2) is met, a registrable person may apply in writing to the Commissioners for an exemption under this section.
- (2) The condition is that the person has not received, and does not expect to receive, at any time after the beginning of a specified accounting period, any premium under a taxable insurance contract that is not an excepted premium.
- (3) In subsection (2) “specified” means specified in the application.

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- (4) The application must contain such information as the Commissioners may direct.
- (5) The Commissioners must grant the application unless it appears to them that the condition in subsection (2) is not met.
- (6) Where an exemption has effect the applicant—
 - (a) is exempt from any requirement imposed under section 54 to make returns in relation to the accounting period specified in the application or subsequent accounting periods, and
 - (b) must ensure that any records that the applicant is required to keep by virtue of paragraph 1(1) of Schedule 7 are, so far as they relate to premiums received, kept in a form enabling records relating to excepted premiums to be readily distinguished from records relating to other premiums.

Textual Amendments

F237 Ss. 69A-69D inserted (1.3.2012) by [The Enactment of Extra-Statutory Concessions Order 2012 \(S.I. 2012/266\)](#), arts. 1, **2(5)**

69D Withdrawal of exemption

- (1) The Commissioners may by notice withdraw an exemption if it appears to them that—
 - (a) the condition in section 69C(2) is no longer met, or
 - (b) the person is not keeping, or has not kept, records as required by section 69C(6)(b).
- (2) Where an exemption is withdrawn under subsection (1), the exemption ceases to have effect in relation to the accounting period in which the notice is given and subsequent accounting periods.
- (3) If, during an accounting period in relation to which an exemption has effect, a person receives a premium under a taxable insurance contract that is not an excepted premium, the exemption ceases to have effect in relation to that and subsequent accounting periods.
- (4) References in this section to an exemption are to an exemption granted under section 69C.]

Textual Amendments

F237 Ss. 69A-69D inserted (1.3.2012) by [The Enactment of Extra-Statutory Concessions Order 2012 \(S.I. 2012/266\)](#), arts. 1, **2(5)**

Supplementary

70 Interpretation: taxable insurance contracts.

- (1) Subject to [^{F238}subsection (1A) below], any contract of insurance is a taxable insurance contract.

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[^{F239}(1A) A contract is not a taxable insurance contract if it falls within one or more of the paragraphs of Part I of Schedule 7A to this Act.

(1B) Part II of Schedule 7A to this Act (interpretation of certain provisions of Part I) shall have effect.]

^{F240}(2)

^{F240}(3)

^{F240}(4)

^{F240}(5)

^{F240}(6)

^{F240}(7)

^{F240}(8)

^{F240}(9)

^{F240}(10)

(11) This section has effect subject to section 71 below.

(12) This section and section 71 below have effect for the purposes of this Part.

Textual Amendments

F238 Words in s. 70(1) substituted (1.10.1994) by [S.I. 1994/1698, art. 4\(a\)](#)

F239 S. 70(1A)(1B) inserted (1.10.1994) by [S.I. 1994/1698, art. 4\(b\)](#)

F240 S. 70(2)-(10) deleted (1.10.1994) by [S.I. 1994/1698, art. 4\(c\)](#)

71 Taxable insurance contracts: power to change definition.

(1) Provision may be made by order that—

- (a) a contract of insurance that would otherwise not be a taxable insurance contract shall be a taxable insurance contract if it falls within a particular description;
- (b) a contract of insurance that would otherwise be a taxable insurance contract shall not be a taxable insurance contract if it falls within a particular description.

(2) A description referred to in subsection (1) above may be by reference to the nature of the insured or by reference to such other factors as the Treasury think fit.

(3) Provision under this section may be made in such way as the Treasury think fit, and in particular may be made by amending this Part.

(4) An order under this section may amend or modify the effect of section 69 above in such way as the Treasury think fit.

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

72 Interpretation: premium.

(1) In relation to a taxable insurance contract, a premium is any payment received under the contract by the insurer, and in particular includes any payment wholly or partly referable to—

- (a) any risk,
- (b) costs of administration,
- (c) commission,
- (d) any facility for paying in instalments or making deferred payment (whether or not payment for the facility is called interest), or
- (e) tax.

[^{F241}(1A) Where an amount is charged to the insured by any person in connection with a taxable insurance contract, any payment in respect of that amount is to be regarded as a payment received under that contract by the insurer unless—

- (a) the payment is chargeable to tax at the higher rate by virtue of section 52A above; or
- (b) the amount is charged under a separate contract and is identified in writing to the insured as a separate amount so charged.]

[^{F242}(1AA) A contract (“the relevant contract”) is not to be regarded as a separate contract for the purposes of subsection (1A) above if conditions A to D are met.

(1AB) Condition A is that the insured is an individual (“I”) and enters into the taxable insurance contract in a personal capacity.

(1AC) Condition B is that I—

- (a) is required to enter into the relevant contract by, or as a condition of entering into, the taxable insurance contract, or
- (b) would be unlikely to enter into the relevant contract without also entering into the taxable insurance contract.

(1AD) Condition C is that—

- (a) the amount charged to I under the relevant contract in respect of any particular services is not open to negotiation by I, or
- (b) the other terms on which particular services are to be provided to I under the relevant contract are not open to such negotiation.

(1AE) Condition D is that the amount charged to I under the taxable insurance contract is arrived at without a comprehensive assessment having been undertaken of the individual circumstances of I which might affect the level of risk.]

[^{F243}(1B) Where—

- (a) an amount is charged (to the insured or any other person) in respect of the acquisition of a right (whether of the insured or any other person) to require the insurer to provide, or offer to provide, any of the cover included in a taxable insurance contract, and
- (b) any payment in respect of that amount is not regarded as a payment received under that contract by the insurer by virtue of subsection (1A) above,

the payment is to be regarded as a payment received under that contract by the insurer unless it is chargeable to tax at the higher rate by virtue of section 52A above.]

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- (2) A premium may consist wholly or partly of anything other than money, and references to payment in subsection (1) above shall be construed accordingly.
- (3) Where a premium is to any extent received in a form other than money, its amount shall be taken to be—
 - (a) an amount equal to the value of whatever is received in a form other than money, or
 - (b) if money is also received, the aggregate of the amount found under paragraph (a) above and the amount received in the form of money.
- (4) The value to be taken for the purposes of subsection (3) above is open market value at the time of the receipt by the insurer.
- (5) The open market value of anything at any time shall be taken to be an amount equal to such consideration in money as would be payable on a sale of it at that time to a person standing in no such relationship with any person as would affect that consideration.
- (6) Where (apart from this subsection) anything received under a contract by the insurer would be taken to be an instalment of a premium, it shall be taken to be a separate premium.
- (7) Where anything is received by any person on behalf of the insurer—
 - (a) it shall be treated as received by the insurer when it is received by the other person, and
 - (b) the later receipt of the whole or any part of it by the insurer shall be disregarded.
- [^{F244}(7A) Where any person is authorised by or on behalf of an employee to deduct from anything due to the employee under his contract of employment an amount in respect of a payment due under a taxable insurance contract, subsection (7) above shall not apply to the receipt on behalf of the insurer by the person so authorised of the amount deducted.]
- (8) In a case where—
 - (a) a payment under a taxable insurance contract is made to a person (the intermediary) by or on behalf of the insured, and
 - (b) the whole or part of the payment is referable to commission to which the intermediary is entitled,

in determining for the purposes of subsection (7) above whether, or how much of, the payment is received by the intermediary on behalf of the insurer any of the payment that is referable to that commission shall be regarded as received by the intermediary on behalf of the insurer notwithstanding the intermediary's entitlement.
- [^{F245}(8A) Where, by virtue of subsection (7A) above, subsection (7) above does not apply to the receipt of an amount by a person and the whole or part of the amount is referable to commission to which he is entitled—
 - (a) if the whole of the amount is so referable, the amount shall be treated as received by the insurer when it is deducted by that person; and
 - (b) otherwise, the part of the amount that is so referable shall be treated as received by the insurer when the remainder of the payment concerned is or is treated as received by him.]

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(9) References in subsection (8) above to a payment include references to a payment in a form other than money.

[^{F246}(9A) Provision may be made by order amending subsections (1AA) to (1AE) above.]

(10) This section has effect for the purposes of this Part.

Textual Amendments

F241 S. 72(1A) inserted (19.3.1997 with effect as mentioned in [s. 28\(2\)](#) of the amending Act) by [1997 c. 16, s. 28\(1\)](#)

F242 S. 72(1AA)-(1AE) inserted (8.4.2010) (with effect in accordance with s. 51(6) of the amending Act) by [Finance Act 2010 \(c. 13\), s. 51\(3\)](#)

F243 S. 72(1B) inserted (19.7.2007 with effect in accordance with s. 101(2) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 101\(1\)](#)

F244 S. 72(7A) inserted (19.3.1997 with effect as mentioned in [s. 30\(3\)](#) of the amending Act) by [1997 c. 16, s. 30\(1\)](#)

F245 S. 72(8A) inserted (19.3.1997 with effect as mentioned in [s. 30\(3\)](#) of the amending Act) by [1997 c. 16, s. 30\(2\)](#)

F246 S. 72(9A) inserted (8.4.2010) by [Finance Act 2010 \(c. 13\), s. 51\(4\)](#)

73 Interpretation: other provisions.

(1) Unless the context otherwise requires—

“accounting period” shall be construed in accordance with section 54 above;

“appeal tribunal” means [^{F247}the First-tier Tribunal or, where determined by or under Tribunal Procedure Rules, the Upper Tribunal;];

“authorised person” means any person acting under the authority of the Commissioners;

“the Commissioners” means the Commissioners of Customs and Excise;

“conduct” includes any act, omission or statement;

[^{F248}“excepted premium” has the meaning given by section 69A(7) above;]

[^{F249}“the higher rate” shall be construed in accordance with section 51 above;]

[^{F250}“HMRC” means Her Majesty’s Revenue and Customs;]

[^{F251}“insurance business” means a business which consists of or includes the provision of insurance;]

“insurer” means a person or body of persons (whether incorporated or not) carrying on insurance business;

“legislation relating to insurance premium tax” means this Part (as defined by subsection (9) below), any other enactment (whenever passed) relating to insurance premium tax, and any subordinate legislation made under any such enactment;

[^{F248}“part-exempt contract” has the meaning given by section 69A(7) above;]

“prescribed” means prescribed by an order or regulations under this Part;

[^{F249}“the standard rate” shall be construed in accordance with section 51 above;]

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“tax” means insurance premium tax;

^{F252}
...

“taxable business” means a business which consists of or includes the provision of insurance under taxable insurance contracts;

“taxable insurance contract” shall be construed in accordance with section 70 above.

[^{F253}“taxable intermediary” shall be construed in accordance with section 52A above;]

[^{F253}“taxable intermediary’s fees” has the meaning given by section 53AA(9) above.]

(2) A risk is situated in the United Kingdom if, by virtue of section 96A(3) of the ^{M19}Insurance Companies Act 1982, it is situated in the United Kingdom for the purposes of that Act.

(3) [^{F254}Subject to subsection (3A) below,] a registrable person is a person who—

- (a) is registered under section 53 above, or
- (b) is liable to be registered under that section.

[^{F255}(3A) References in sections 53A and 54 above and paragraphs 1, 9 and 12 of Schedule 7 to this Act to a registrable person include a reference to a person who—

- (a) is registered under section 53AA above; or
- (b) is liable to be registered under that section.]

(4) A commercial ship is a ship which is—

- (a) of a gross tonnage of 15 tons or more, and
- (b) not designed or adapted for use for recreation or pleasure.

(5) A commercial aircraft is an aircraft which is—

- (a) of a weight of 8,000 kilogrammes or more, and
- (b) not designed or adapted for use for recreation or pleasure.

(6) A lifeboat is a vessel used or to be used solely for rescue or assistance at sea; and lifeboat equipment is anything used or to be used solely in connection with a lifeboat.

(7) Foreign or international railway rolling stock is railway rolling stock used principally for journeys taking place wholly or partly outside the United Kingdom.

(8) Goods in foreign or international transit are goods in transit where their carriage—

- (a) begins and ends outside the United Kingdom,
- (b) begins outside but ends in the United Kingdom, or
- (c) ends outside but begins in the United Kingdom.

(9) A reference to this Part includes a reference to any order or regulations made under it and a reference to a provision of this Part includes a reference to any order or regulations made under the provision, unless otherwise required by the context or any order or regulations.

(10) This section has effect for the purposes of this Part.

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Textual Amendments

- F247** Words in s. 73(1) 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. 208(2)(a)**
- F248** Words in s. 73(1) inserted (1.3.2012) by [The Enactment of Extra-Statutory Concessions Order 2012 \(S.I. 2012/266\)](#), arts. 1, **2(6)**
- F249** Definitions in s. 73(1) inserted (19.3.1997 with effect as mentioned in s. 24 of the amending Act) by 1997 c. 16, **s. 21(2)**
- F250** Words in s. 73(1) 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. 208(2)(b)**
- F251** Definition in s. 73(1) inserted (1.5.1995) by 1995 c. 4, s. 34, **Sch. 5 para. 6**
- F252** Words in s. 73(1) omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), **s. 142(1)(c)**
- F253** Definitions in s. 73(1) inserted (19.3.1997) by 1997 c. 16, **s. 27(9)**
- F254** Words in s. 73(3) inserted (19.3.1997) by 1997 c. 16, **s. 27(10)**
- F255** S. 73(3A) inserted (19.3.1997) by 1997 c. 16, **s. 27(10)**

Marginal Citations

- M19** [1982 c. 50](#).

74 Orders and regulations.

- (1) The power to make an order under section 61 above shall be exercisable by the Commissioners, and the power to make an order under any other provision of this Part shall be exercisable by the Treasury.
 - (2) Any power to make regulations under this Part shall be exercisable by the Commissioners.
 - (3) Any power to make an order or regulations under this Part shall be exercisable by statutory instrument.
 - (4) An order under section 51A [^{F256} 71 or 72] above shall be laid before the House of Commons; and unless it is approved by that House before the expiration of a period of 28 days beginning with the date on which it was made it shall cease to have effect on the expiration of that period, but without prejudice to anything previously done under the order or to the making of a new order.
 - (5) In reckoning any such period as is mentioned in subsection (4) above no account shall be taken of any time during which Parliament is dissolved or prorogued or during which the House of Commons is adjourned for more than four days.
 - (6) A statutory instrument containing an order or regulations under this Part (other than an order under section 51A [^{F257} 71 or 72] above) shall be subject to annulment in pursuance of a resolution of the House of Commons.
- [^{F258}(6A) Regulations under this Part making provision as to the form and manner in which a notification is to be made, or as to the information to be contained in or provided with a notification, may make such provision by reference to a notice published by the Commissioners from time to time.]
- (7) Any power to make an order or regulations under this Part—
 - (a) may be exercised as regards prescribed cases or descriptions of case;

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- (b) may be exercised differently in relation to different cases or descriptions of case.
- (8) An order or regulations under this Part may include such supplementary, incidental, consequential or transitional provisions as appear to the Treasury or the Commissioners (as the case may be) to be necessary or expedient.
- (9) No specific provision of this Part about an order or regulations shall prejudice the generality of subsections [F259(6A) to] (8) above.

Textual Amendments

- F256** Words in s. 74(4) substituted (8.4.2010) by [Finance Act 2010 \(c. 13\), s. 51\(5\)](#)
- F257** Words in s. 74(6) substituted (8.4.2010) by [Finance Act 2010 \(c. 13\), s. 51\(5\)](#)
- F258** [S. 74\(6A\)](#) inserted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 337\(a\)](#)
- F259** Words in [s. 74\(9\)](#) substituted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 337\(b\)](#)

PART IV

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER I

GENERAL

Income tax: charge, rates and reliefs

F26075 Charge and rates of income tax for 1994-95.

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Textual Amendments

- F260** [S. 75](#) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F26176 Personal allowance.

.....

Textual Amendments

- F261** [S. 76](#) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\), s. 1034\(1\), Sch. 3 Pt. 1](#) (with [Sch. 2](#))

77 Rate of relief to married couples etc.

F262(1)

F262(2)

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F263(3)

F263(4)

F264(5)

(6) The Taxes Act 1988 and the ^{M20}Taxes Management Act 1970 shall have effect with the amendments specified in Schedule 8 to this Act (which supplements the provisions of this section).

(7) This section and Schedule 8 to this Act shall have effect for the year 1994-95 and, subject to the following provisions of this section, for subsequent years of assessment.

F265(8)

F265(9)

F265(10)

Textual Amendments

F262 S. 77(1)(2) omitted (21.7.2009) (with effect in accordance with Sch. 1 para. 7 of the amending Act) by virtue of Finance Act 2009 (c. 10), Sch. 1 para. 6(f)

F263 S. 77(3)(4) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(4), Note in the repealing Act) by 1999 c. 16, s. 139, Sch. 20 Pt. III(4), Note

F264 S. 77(5) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(5), Note 2 in the repealing Act) by 1999 c. 16, s. 139, Sch. 20 Pt. III(5), Note 2

F265 S. 77(8)-(10) repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 3 Pt. 1 (with Sch. 2)

Marginal Citations

M20 1970 c. 9.

F266 78 Amount by reference to which MCA is reduced.

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Textual Amendments

F266 S. 78 repealed (6.4.2007) by Income Tax Act 2007 (c. 3), s. 1034(1), Sch. 3 Pt. 1 (with Sch. 2)

79 Relief for maintenance payments.

(1) Sections 347A and 347B of the ^{M21}Taxes Act 1988 ^{F267} . . . (which contain provision with respect to the deductions from income allowed on account of maintenance payments) shall have effect in relation to payments becoming due on or after 6th April 1994 with the following modifications.

F268(2)

F269(3)

F269(4)

F269F268(5)

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- F269(6)
F268(7)
F268(8)

Textual Amendments

- F267** Words in s. 79(1) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(6), Note in the repealing Act) by 1999 c. 16, s. 139, **Sch. 20 Pt. III(6)**, Note
F268 S. 79(2)(5)(7)(8) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(6), Note in the repealing Act) by 1999 c. 16, s. 139, **Sch. 20 Pt. III(6)**, Note
F269 S. 79(3)-(6) repealed (6.4.2007) by **Income Tax Act 2007 (c. 3)**, s. 1034(1), **Sch. 3 Pt. 1** (with **Sch. 2**)

Marginal Citations

- M21** 1988 c. 39.

80 Limit on relief for interest.

For each of the years 1994-95 and 1995-96 the qualifying maximum defined in section 367(5) of the Taxes Act 1988 (limit on relief for interest on certain loans) shall be £30,000.

81 Mortgage interest relief etc.

- (1) For subsection (1) of section 353 of the Taxes Act 1988 (general provision for relief for interest payments) there shall be substituted the following subsection—

“(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 sections 354 to 368) 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 sections 354 to 365.”

- (2) After that subsection there shall be inserted the following subsections—

“(1A) Where a person is entitled for any year of assessment to relief under this section in respect of any amount of interest which—

- (a) is eligible for that relief by virtue of section 354 or 365, and
 - (b) so far as eligible by virtue of section 354, is so eligible in a case which falls, or is treated as falling, within section 355(1)(a), 356 or 358,
- that relief shall consist in an income tax reduction for that year calculated by reference to that amount.

(1B) Where a person is entitled for any year of assessment to relief under this section in respect of any amount of interest which—

- (a) is eligible for that relief otherwise than by virtue of section 354 or 365, or
- (b) is eligible for that relief by virtue of section 354 in a case falling within section 355(1)(b),

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that relief shall consist (subject to sections 237(5)(b) and 355(4)) in a deduction or set-off of that amount from or against that person's income for that year.

(1C) Without prejudice to subsection (1E) below, where the whole or any part of an amount of interest is eligible for relief under this section by virtue of section 354 in a case which (apart from this subsection) would fall, or be treated as falling, within both section 355(1)(a) or 356 and section 355(1)(b), then that case shall be treated for the purposes of this section and the following provisions of this Act—

- (a) except in relation to payments to which an election made for the purposes of this subsection by the person entitled to the relief applies, as falling within section 355(1)(b) and not within section 355(1)(a) or 356; and
- (b) in relation to payments to which such an election does apply, as falling within section 355(1)(a) or, as the case may be, 356, and not within section 355(1)(b).

(1D) An election for the purposes of subsection (1C)—

- (a) shall be made, and may be withdrawn, by the giving of written notice to an officer of the Board;
- (b) shall apply to every payment of interest which—
 - (i) is made after the time specified in the notice of that election as the time as from which it takes effect; and
 - (ii) is not made after a time specified in a notice of the withdrawal of that election as the time as from which that election is withdrawn;
- (c) shall not be made so as to take effect as from any time except the beginning of a year of assessment or a time as from which the conditions for the case to fall, or be treated as falling, within both section 355(1)(a) or 356 and section 355(1)(b) have begun to be satisfied in relation to payments of interest on the loan in question;
- (d) shall not be withdrawn except as from the beginning of a year of assessment; and
- (e) shall not be made so as to take effect, and shall not be withdrawn, as from any time before the beginning of the year of assessment immediately before that in which the notice of the election or, as the case may be, of the withdrawal is given to an officer of the Board.

(1E) Where any person is entitled for any year of assessment to relief under this section 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 subsection (1B) above, that amount of interest shall be apportioned between the cases to which each of those subsections applies without regard to what parts of the total amount borrowed remain outstanding but according to the following factors, that is to say—

- (a) the proportions of the total amount borrowed which were applied for different purposes; and
- (b) in the case of so much of any amount of interest which is, or in pursuance of an apportionment under paragraph (a) above is treated as, eligible for relief by virtue of section 354, the different uses to which the land or other property in question is put from time to time;

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and subsection (1A) or (1B) above shall apply accordingly in relation to the interest apportioned to the case to which that subsection applies.

(1F) Where any person is entitled under this section for any year of assessment to an income tax reduction calculated by reference to an amount of interest, the amount of that person's liability for that year to income tax on his total income shall be the amount to which he would have been liable apart from this section less whichever is the smaller of—

- (a) the amount equal to the applicable percentage of that amount of interest; and
- (b) the amount which reduces his liability to nil.

(1G) In subsection (1F) above “the applicable percentage”—

- (a) in relation to so much of any interest as is eligible for relief under this section by virtue of section 354, means 20 per cent.; and
- (b) in relation to so much of any interest as is eligible for relief under this section by virtue of section 365, means the percentage which is the basic rate for the year of assessment in question;

but, in relation to any payment of interest which (whenever falling due) is made in the year 1995-96 or any subsequent year of assessment, paragraph (a) above shall have effect with the substitution of “15 per cent.” for “20 per cent.”

(1H) In determining for the purposes of subsection (1F) above the amount of income tax to which a person would be liable apart from any income tax reduction under this section, no account shall be taken of—

- (a) any income tax reduction under Chapter I of Part VII or section 347B;
- (b) 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
- (c) 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.”

^{F270}(3)

(4) For subsections (3) to (5B) of section 369 of that Act (provisions balancing deduction of relevant loan interest from income against charge to tax) there shall be substituted the following subsection—

“(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.”

(5) Schedule 9 to this Act (which for the purposes of or in connection with the provisions of this section makes further modifications of certain enactments in relation to tax relief on interest payments) shall have effect.

(6) The preceding provisions of this section and that Schedule—

- (a) shall have effect in relation to payments of interest made on or after 6th April 1994 (whenever falling due); and

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(b) shall also have effect, so far as they relate to relevant loan interest, in relation to any payments of interest becoming due on or after 6th April 1994 which have been made at any time before that date but on or after 30th November 1993.

(7) Any provision made before the passing of this Act by reference to the basic rate of income tax and contained in any instrument or agreement under or in accordance with which payments of relevant loan interest have been or are to be made shall be taken, in relation to any such payment as is mentioned in subsection (6)(a) or (b) above, to have been made, instead, by reference to a rate which, in the case of that payment, is the applicable percentage for the purposes of subsection (1) of section 369 of the Taxes Act 1988.

^{F270}(8)

(9) In this section “relevant loan interest” has the same meaning as in Part IX of the Taxes Act 1988.

Textual Amendments

F270 S. 81(3)(8) repealed (27.7.1999 with effect as mentioned in Sch. 20 Pt. III(7), Note 4 in the repealing Act) by 1999 c. 16, s. 139, **Sch. 20 Pt. III(7)**, Note 4

82 Relief for blind persons.

(1) In section 265(1) of the Taxes Act 1988 (blind person’s allowance) for “£1,080” there shall be substituted “£1,200”.

(2) This section shall apply for the year 1994-95 and subsequent years of assessment.

^{F271}**83**

Textual Amendments

F271 S. 83 repealed (31.7.1997 with effect as mentioned in Sch. 8 Pt. II(2), Note in the repealing Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(2)**, Note

^{F272}**84**

Textual Amendments

F272 S. 84 repealed (27.7.1999 with effect as mentioned in s. 59(3)(b), Sch. 20 Pt. III(15), Note in the repealing Act) by 1999 c. 16, ss. 59(3)(b), 139, **Sch. 20 Pt. III(15)**, Note; S.I. 2000/2004, **art. 2**

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Corporation tax charge and rate

85 Charge and rate of corporation tax for 1994.

Corporation tax shall be charged for the financial year 1994 at the rate of 33 per cent.

^{F273}**86 Small companies.**

.....

Textual Amendments

F273 [S. 86](#) repealed (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Benefits in kind

87 Car fuel.

(1) In section 158 of the Taxes Act 1988 (car fuel) for the Tables in subsection (2) (tables of cash equivalents) there shall be substituted—

“ TABLE A

| <i>Cylinder capacity of car in cubic centimetres</i> | <i>Cash equivalent</i> |
|--|------------------------|
| 1,400 or less | £640 |
| More than 1,400 but not more than 2,000 | £810 |
| More than 2,000 | £1,200 |

TABLE AB

| <i>Cylinder capacity of car in cubic centimetres</i> | <i>Cash equivalent</i> |
|--|------------------------|
| 2,000 or less | £580 |
| More than 2,000 | £750 |

TABLE B

| <i>Description of car</i> | <i>Cash equivalent</i> |
|---------------------------|------------------------|
| Any car | £1,200” |

(2) This section shall have effect for the year 1994-95 and subsequent years of assessment.

^{F274}**88 Beneficial loan arrangements.**

.....

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Textual Amendments

F274 S. 89 repealed (6.4.2003) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

^{F274}**89 Vouchers and credit-tokens.**

.....

Textual Amendments

F274 S. 89 repealed (6.4.2003) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

Chargeable gains

90 Annual exempt amount for 1994-95.

For the year 1994-95 section 3 of the ^{M22}Taxation of Chargeable Gains Act 1992 (annual exempt amount) shall have effect as if the amount specified in subsection (2) were £5,800, and accordingly subsection (3) of that section (indexation) shall not apply for that year.

Marginal Citations

M22 1992 c. 12.

91 Relief on re-investment.

- (1) Schedule 11 to this Act (which extends the relief on re-investment for individuals and trustees provided by Chapter IA of Part V of the Taxation of Chargeable Gains Act 1992) shall have effect.
- (2) That Schedule shall have effect in relation to disposals made on or after 30th November 1993.
- (3) In section 164H(1) of that Act—
 - (a) for “is greater than” there shall be substituted “ exceeds ”, and
 - (b) at the end there shall be added “ or half the value of the company’s assets as a whole (whichever is the greater); and section 294(3) and (4) of the Taxes Act (meaning of value of company’s assets as a whole) applies for the purposes of this subsection as it applies for the purposes of section 294 of that Act ”.
- (4) Subsection (3) above shall apply to determine whether a company is a qualifying company on or after 30th November 1993.

^{F275}**92**

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F275 [S. 92](#) repealed (31.7.1998 with effect as mentioned in Sch. 27 Pt. III(31), Note in the repealing Act) by [1998 c. 36, s. 165, Sch. 27 Pt. III\(31\)](#) Note

93 Indexation losses.

- (1) In section 53 of the Taxation of Chargeable Gains Act 1992 (indexation allowance), in subsection (1), for the words following “contrary” to the end of paragraph (c) there shall be substituted “if on the disposal of an asset there is an unindexed gain, an allowance (“the indexation allowance”) shall be allowed against the unindexed gain—
 - (a) so as to give the gain for the purposes of this Act, or
 - (b) if the indexation allowance equals or exceeds the unindexed gain, so as to extinguish it (in which case the disposal shall be one on which, after taking account of the indexation allowance, neither a gain nor a loss accrues)”.
- (2) In subsection (2) of that section—
 - (a) for “subsection (1) above” there shall be substituted “ this Chapter ”,
 - (b) for paragraph (a) there shall be substituted—
 - “(a) “unindexed gain” means the amount of the gain on the disposal computed in accordance with this Part”, and
 - (c) in paragraph (b), for “gain or loss” there shall be substituted “ gain ”.
- (3) After that subsection there shall be inserted—

“(2A) Notwithstanding anything in section 16 of this Act, this section shall not apply to a disposal on which a loss accrues.”
- (4) In section 55 of that Act (assets acquired on a no gain/no loss disposal), after subsection (6) there shall be inserted—
 - “(7) The rules in subsection (8) below apply (after the application of section 53 but before the application of section 35(3) or (4)) to give the gain or loss for the purposes of this Act where—
 - (a) subsection (6) above applies to the disposal (the “disposal in question”) of an asset by any person (the “transferor”), and
 - (b) but for paragraph (b) of that subsection, the consideration the transferor would be treated as having given for the asset would include an amount or amounts of indexation allowance brought into account by virtue of section 56(2) on any disposal made before 30th November 1993.
 - (8) The rules are as follows—
 - (a) where (apart from this subsection) there would be a loss, an amount equal to the rolled-up indexation shall be added to it so as to increase it,
 - (b) where (apart from this subsection) the unindexed gain or loss would be nil, there shall be a loss of an amount equal to the rolled-up indexation, and
 - (c) where (apart from this subsection)—

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- (i) there would be an unindexed gain, and
- (ii) the gain or loss would be nil but the amount of the indexation allowance used to extinguish the gain would be less than the rolled-up indexation,

the difference shall constitute a loss.

- (9) In this section the “rolled-up indexation” means, subject to subsections (10) and (11) below, the amount or, as the case may be, the aggregate of the amounts referred to in subsection (7)(b) above; and subsections (10) and (11) below shall, as well as applying on the disposal in question, be treated as having applied on any previous part disposal by the transferor.
- (10) Where, for the purposes of any disposal of the asset by the transferor, any amount falling within any, or any combination of, paragraphs (a) to (c) of section 38(1) is required by any enactment to be excluded, reduced or written down, the amount or aggregate referred to in subsection (9) above (or so much of it as remains after the application of this subsection and subsection (11) below on a previous part disposal) shall be reduced in proportion to any reduction made in the amount falling within the paragraph, or the combination of paragraphs, in question.
- (11) Where the transferor makes a part disposal of the asset at any time, then, for the purposes of that and any subsequent disposal, the amount or aggregate referred to in subsection (9) above (or so much of it as remains after the application of this subsection and subsection (10) above on a previous part disposal by him or after the application of subsection (10) above on the part disposal) shall be apportioned between the property disposed of and the property which remains in the same proportions as the sums falling within section 38(1)(a) and (b).”
- (5) In section 56 of that Act (amount of consideration on no gain/no loss disposals)—
 - (a) in subsection (2) for the words preceding paragraph (a) there shall be substituted “ On a no gain/no loss disposal by any person (“the transferor”)”, and
 - (b) after that subsection there shall be added—
 - “(3) Where apart from this subsection—
 - (a) a loss would accrue on the disposal of an asset, and
 - (b) the sums allowable as a deduction in computing that loss would include an amount attributable to the application of the assumption in subsection (2) above on any no gain/no loss disposal made on or after 30th November 1993,
 those sums shall be determined as if that subsection had not applied on any such disposal made on or after that date and the loss shall be reduced accordingly or, if those sums are then equal to or less than the consideration for the disposal, the disposal shall be one on which neither a gain nor a loss accrues.
 - (4) For the purposes of this section a no gain/no loss disposal is one which, by virtue of any enactment other than section 35(4), 53(1) or this section, is treated as a disposal on which neither a gain nor a loss accrues to the person making the disposal.”

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(6) In section 110 of that Act (indexation allowance for share pools), after subsection (6) there shall be inserted—

“(6A) Where a disposal to a person acquiring or adding to a new holding is treated by virtue of any enactment as one on which neither a gain nor a loss accrues to the person making the disposal—

- (a) section 56(2) shall not apply to the disposal (and, accordingly, the amount of the consideration shall not be calculated on the assumption that a gain of an amount equal to the indexation allowance accrues to the person making the disposal), but
- (b) an amount equal to the indexation allowance on the disposal shall be added to the indexed pool of expenditure for the holding acquired or, as the case may be, held by the person to whom the disposal is made (and, where it is added to the indexed pool of expenditure for a holding so held, it shall be added after any increase required by subsection (8)(a) below).”

(7) Sections 103 (collective investment schemes, etc.), 111 (building society etc. shares), 182 to 184 (groups and associated companies) and 200 (oil industry assets) of that Act (all of which relate to indexation allowance) shall cease to have effect.

^{F276}(8)

^{F276}(9)

^{F276}(10)

(11) This section shall have effect in relation to disposals made on or after 30th November 1993 and Schedule 12 to this Act (which gives transitional relief) shall have effect for the years 1993–94 and 1994–95.

Textual Amendments

F276 S. 93(8)-(10) repealed (19.7.2011) (with effect in accordance with Sch. 11 para. 11 12 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 11 para. 10\(a\)](#)

^{F277}94 Set-off of pre-entry losses.

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Textual Amendments

F277 S. 94 repealed (19.7.2011) (with effect in accordance with Sch. 11 para. 11 12 of the amending Act) by [Finance Act 2011 \(c. 11\)](#), [Sch. 11 para. 10\(a\)](#)

95 Commodity and financial futures.

(1) In section 143 of the ^{M23}Taxation of Chargeable Gains Act 1992 (commodity and financial futures and qualifying options), subsection (4) shall cease to have effect and for subsection (6) there shall be substituted the following subsections—

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“(6) In any case where, in the course of dealing in commodity or financial futures, a person has entered into a futures contract and—

- (a) he has not closed out the contract (as mentioned in subsection (5) above), and
- (b) he becomes entitled to receive or liable to make a payment, whether under the contract or otherwise, in full or partial settlement of any obligations under the contract,

then, for the purposes of this Act, he shall be treated as having disposed of an asset (namely, that entitlement or liability) and the payment received or made by him shall be treated as consideration for the disposal or, as the case may be, as incidental costs to him of making the disposal.

(7) Section 46 shall not apply to obligations under—

- (a) a commodity or financial futures contract which is entered into by a person in the course of dealing in such futures on a recognised futures exchange; or
- (b) a commodity or financial futures contract to which an authorised person or listed institution is a party.

(8) In this section—

“authorised person” has the same meaning as in the Financial Services Act 1986, and

“listed institution” has the same meaning as in section 43 of that Act.”

(2) This section shall apply in relation to contracts entered into on or after 30th November 1993.

Marginal Citations

M23 1992 c.12.

96 Cash-settled options.

(1) After section 144 of the ^{M24}Taxation of Chargeable Gains Act 1992 (options and forfeited deposits) there shall be inserted the following section—

“144A Cash-settled options.

(1) In any case where—

- (a) an option is exercised; and
- (b) the nature of the option (or its exercise) is such that the grantor of the option is liable to make, and the person exercising it is entitled to receive, a payment in full settlement of all obligations under the option,

subsections (2) and (3) below shall apply in place of subsections (2) and (3) of section 144.

(2) As regards the grantor of the option—

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- (a) he shall be treated as having disposed of an asset (namely, his liability to make the payment) and the payment made by him shall be treated as incidental costs to him of making the disposal; and
 - (b) the grant of the option and the disposal shall be treated as a single transaction and the consideration for the option shall be treated as the consideration for the disposal.
 - (3) As regards the person exercising the option—
 - (a) he shall be treated as having disposed of an asset (namely, his entitlement to receive the payment) and the payment received by him shall be treated as the consideration for the disposal;
 - (b) the acquisition of the option (whether directly from the grantor or not) and the disposal shall be treated as a single transaction and the cost of acquiring the option shall be treated as expenditure allowable as a deduction under section 38(1)(a) from the consideration for the disposal; and
 - (c) for the purpose of computing the indexation allowance (if any) on the disposal, the cost of the option shall be treated (notwithstanding paragraph (b) above) as incurred when the option was acquired.
 - (4) In any case where subsections (2) and (3) above would apply as mentioned in subsection (1) above if the reference in that subsection to full settlement included a reference to partial settlement, those subsections and subsections (2) and (3) of section 144 shall both apply but with the following modifications—
 - (a) for any reference to the grant or acquisition of the option there shall be substituted a reference to the grant or acquisition of so much of the option as relates to the making and receipt of the payment or, as the case may be, the sale or purchase by the grantor; and
 - (b) for any reference to the consideration for, or the cost of or of acquiring, the option there shall be substituted a reference to the appropriate proportion of that consideration or cost.
 - (5) In this section “appropriate proportion” means such proportion as may be just and reasonable in all the circumstances.”
- (2) This section shall apply in relation to options granted on or after 30th November 1993.

Marginal Citations

M24 [1992 c.12.](#)

97 Settlements with foreign element: information.

- (1) The ^{M25}Taxation of Chargeable Gains Act 1992 shall be amended as mentioned in subsections (2) to (4) below.
- (2) In Chapter II of Part III (settlements) the following section shall be inserted after section 98—

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

“98A Settlements with foreign element: information.

Schedule 5A to this Act (which contains general provisions about information relating to settlements with a foreign element) shall have effect.”

(3) The following Schedule shall be inserted after Schedule 5—

“SCHEDULE 5A

Section 98A.

SETTLEMENTS WITH FOREIGN ELEMENT: INFORMATION

- 1 In this Schedule “the commencement day” means the day on which the Finance Act 1994 was passed.
- 2 (1) This paragraph applies if—
 - (a) a settlement was created before 19th March 1991,
 - (b) on or after the commencement day a person transfers property to the trustees otherwise than under a transaction entered into at arm’s length and otherwise than in pursuance of a liability incurred by any person before that day,
 - (c) the trustees are not resident or ordinarily resident in the United Kingdom at the time the property is transferred, and
 - (d) the transferor knows, or has reason to believe, that the trustees are not so resident or ordinarily resident.
- (2) Before the expiry of the period of twelve months beginning with the relevant day, the transferor shall deliver to the Board a return which—
 - (a) identifies the settlement, and
 - (b) specifies the property transferred, the day on which the transfer was made, and the consideration (if any) for the transfer.
- (3) For the purposes of sub-paragraph (2) above the relevant day is the day on which the transfer is made.
- 3 (1) This paragraph applies if a settlement is created on or after the commencement day, and at the time it is created—
 - (a) the trustees are not resident or ordinarily resident in the United Kingdom, or
 - (b) the trustees are resident or ordinarily resident in the United Kingdom but fall to be regarded for the purposes of any double taxation relief arrangements as resident in a territory outside the United Kingdom.
- (2) Any person who—
 - (a) is a settlor in relation to the settlement at the time it is created, and
 - (b) at that time fulfils the condition mentioned in sub-paragraph (3) below,
 shall, before the expiry of the period of three months beginning with the relevant day, deliver to the Board a return specifying the particulars mentioned in sub-paragraph (4) below.
- (3) The condition is that the person concerned is domiciled in the United Kingdom and is either resident or ordinarily resident in the United Kingdom.

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- (4) The particulars are—
 - (a) the day on which the settlement was created;
 - (b) the name and address of the person delivering the return;
 - (c) the names and addresses of the persons who are the trustees immediately before the delivery of the return.
 - (5) For the purposes of sub-paragraph (2) above the relevant day is the day on which the settlement is created.
- 4 (1) This paragraph applies if a settlement is created on or after 19th March 1991, and at the time it is created—
- (a) the trustees are not resident or ordinarily resident in the United Kingdom, or
 - (b) the trustees are resident or ordinarily resident in the United Kingdom but fall to be regarded for the purposes of any double taxation relief arrangements as resident in a territory outside the United Kingdom.
- (2) Any person who—
- (a) is a settlor in relation to the settlement at the time it is created,
 - (b) at that time does not fulfil the condition mentioned in sub-paragraph (3) below, and
 - (c) first fulfils that condition at a time falling on or after the commencement day,
- shall, before the expiry of the period of twelve months beginning with the relevant day, deliver to the Board a return specifying the particulars mentioned in sub-paragraph (4) below.
- (3) The condition is that the person concerned is domiciled in the United Kingdom and is either resident or ordinarily resident in the United Kingdom.
- (4) The particulars are—
- (a) the day on which the settlement was created;
 - (b) the name and address of the person delivering the return;
 - (c) the names and addresses of the persons who are the trustees immediately before the delivery of the return.
- (5) For the purposes of sub-paragraph (2) above the relevant day is the day on which the person first fulfils the condition as mentioned in paragraph (c) of that sub-paragraph.
- 5 (1) This paragraph applies if—
- (a) the trustees of a settlement become at any time (the relevant time) on or after the commencement day neither resident nor ordinarily resident in the United Kingdom, or
 - (b) the trustees of a settlement, while continuing to be resident and ordinarily resident in the United Kingdom, become at any time (the relevant time) on or after the commencement day trustees who fall to be regarded for the purposes of any double taxation relief arrangements as resident in a territory outside the United Kingdom.
- (2) Any person who was a trustee of the settlement immediately before the relevant time shall, before the expiry of the period of twelve months beginning with the relevant day, deliver to the Board a return specifying—

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- (a) the day on which the settlement was created,
 - (b) the name and address of each person who is a settlor in relation to the settlement immediately before the delivery of the return, and
 - (c) the names and addresses of the persons who are the trustees immediately before the delivery of the return.
- (3) For the purposes of sub-paragraph (2) above the relevant day is the day when the relevant time falls.
- 6 (1) Nothing in paragraph 2, 3, 4 or 5 above shall require information to be contained in the return concerned to the extent that—
 - (a) before the expiry of the period concerned the information has been provided to the Board by any person in pursuance of the paragraph concerned or of any other provision, or
 - (b) after the expiry of the period concerned the information falls to be provided to the Board by any person in pursuance of any provision other than the paragraph concerned.
- (2) Nothing in paragraph 2, 3, 4 or 5 above shall require a return to be delivered if—
 - (a) before the expiry of the period concerned all the information concerned has been provided to the Board by any person in pursuance of the paragraph concerned or of any other provision, or
 - (b) after the expiry of the period concerned all the information concerned falls to be provided to the Board by any person in pursuance of any provision other than the paragraph concerned.”
- (4) In Schedule 5, paragraphs 11 to 14 (information) shall be omitted.
- (5) Subsection (4) above shall have effect where the relevant day falls on or after the day on which this Act is passed.
- (6) In the Table in section 98 of the ^{M26}Taxes Management Act 1970 (penalties) at the end of the second column there shall be inserted—

“ Paragraphs 2 to 6 of Schedule 5A to the 1992 Act. ”

Marginal Citations

- M25** 1992 c. 12.
- M26** 1970 c. 9.

Profit-related pay

F278 **98**

Textual Amendments

- F278** **S. 98** repealed (19.3.1997 with effect as mentioned in s. 61(2)(3), Sch. 18 Pt. VI(3), Notes 1, 2 in the repealing Act) by 1997 c. 16, ss. 61(2)(3), 113, **Sch. 18 Pt. VI(3)**, Notes 1, 2

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F279 99

Textual Amendments

F279 S. 99 repealed (19.3.1997 with effect as mentioned in s. 61(2)(3), Sch. 18 Pt. VI(3), Notes 1, 2 in the repealing Act) by 1997 c. 16, ss. 61(2)(3), 113, **Sch. 18 Pt. VI(3)**, Notes 1, 2

Profit sharing schemes

100 Relevant age for purpose of appropriate percentage.

- (1) Schedule 10 to the Taxes Act 1988 (profit sharing schemes) shall be amended as follows.
- (2) In paragraph 3 (the appropriate percentage for purposes of tax charge) the words from “In this paragraph” to the end of the paragraph shall be omitted.
- (3) The following paragraph shall be inserted after paragraph 3—

- “3A
- (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 pensionable age.
 - (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
 - (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 pensionable age.
 - (5) Where the scheme is approved on or after 25th July 1991, the relevant age is the specified age.”

101 Acceptance of qualifying corporate bonds for shares.

- (1) Schedule 10 to the Taxes Act 1988 (profit sharing schemes) shall be amended as mentioned in subsections (2) to (4) below.

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(2) In paragraph 1 (limitations on contractual obligations of participants) in sub-paragraph (1) the following paragraph shall be inserted after paragraph (c)—

“(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”.

(3) In paragraph 1 the following sub-paragraph shall be inserted after sub-paragraph (3)—

“(4) In sub-paragraph (1)(cc) above “qualifying corporate bond” shall be construed in accordance with section 117 of the 1992 Act.”

(4) The following paragraph shall be inserted after paragraph 5 (company reconstructions)

“5A (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.”

(5) In paragraph 32(1) of Schedule 9 to the Taxes Act 1988 (requirements applicable to profit sharing schemes) for “or (c)” there shall be substituted “, (c) or (cc)”.

(6) In paragraph 33(a) of Schedule 9 to the Taxes Act 1988 (which provides that the trust instrument must contain certain provision by reference to new shares within the meaning of paragraph 5 of Schedule 10) the reference to paragraph 5 of Schedule 10 shall be construed as including a reference to that paragraph as applied by paragraph 5A.

(7) Subsections (2) and (3) above shall have effect where a direction is made on or after the day on which this Act is passed.

(8) Subsection (4) above shall have effect where what would be the new holding comes into being on or after the day on which this Act is passed; but this is subject to subsection (13) below.

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- (9) Subsection (5) above shall have effect in relation to any scheme not approved before the day on which this Act is passed.
- (10) In a case where—
- (a) a scheme is approved before the day on which this Act is passed, and
 - (b) on or after that day the trust instrument is altered in such a way that paragraph 32(1) of Schedule 9 to the Taxes Act 1988 would be fulfilled if subsection (5) above applied in relation to the scheme,
- subsection (5) above shall apply in relation to the scheme with effect from the time the alteration is made.
- (11) Subsection (6) above shall have effect in relation to any scheme not approved before the day on which this Act is passed.
- (12) In a case where—
- (a) a scheme is approved before the day on which this Act is passed, and
 - (b) on or after that day the trust instrument is altered in such a way that paragraph 33(a) of Schedule 9 to the Taxes Act 1988 would be fulfilled if subsection (6) above applied in relation to the scheme,
- subsection (6) above shall apply in relation to the scheme with effect from the time the alteration is made.
- (13) In a case where—
- (a) a scheme is approved before the day on which this Act is passed,
 - (b) subsection (4) above would apply in relation to the scheme by virtue of subsection (8) above and apart from this subsection, and
 - (c) the trust instrument is not altered as mentioned in subsection (12)(b) above before what would be the new holding comes into being,
- subsection (4) above shall not apply in relation to the scheme.
- (14) Subsection (6) above shall not imply a contrary intention for the purposes of section 20(2) of the ^{M27}Interpretation Act 1978 in its application to other references to paragraph 5 of Schedule 10 to the Taxes Act 1988.

Marginal Citations

M27 1978 c.30.

Employee share ownership trusts

102 Employee share ownership trusts.

Schedule 13 to this Act (which contains provisions about employee share ownership trusts) shall have effect.

Retirement benefits schemes

^{F280}**103 The administrator.**

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Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F280 Ss. 103-107 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3 (with Sch. 36)

F280104 Default of administrator etc.

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Textual Amendments

F280 Ss. 103-107 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3 (with Sch. 36)

F280105 Information.

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Subordinate Legislation Made

P4 S. 105(5) power exercised: 1.1.1996 appointed by S.I. 1995/3125, art. 2

Textual Amendments

F280 Ss. 103-107 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3 (with Sch. 36)

Commencement Information

I16 S 105 wholly in force at 1.1.1996; s. 105 in force at Royal Assent except for s. 105(3)(4)(b) see s. 105(5); s. 105(3)(4)(b) in force at 1.1.1996 by S.I. 1995/3125, art. 2

F280106 False statements etc.

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Textual Amendments

F280 Ss. 103-107 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3 (with Sch. 36)

F280107 Discretionary approval.

.....

Textual Amendments

F280 Ss. 103-107 repealed (6.4.2006) by Finance Act 2004 (c. 12), Sch. 42 Pt. 3 (with Sch. 36)

108 Taxation of benefits of non-approved schemes.

F281(1)

F281(2)

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F281(3)

F281(4)

F281(5)

F281(6)

(7) Subject to subsection (8) below, in the Taxes Act 1988—

(a) in section 188(1), paragraph (c), and

F281(b)

(exemption from tax where recipient of benefit or lump sum chargeable to tax in respect of sums paid or treated as paid with a view to the provision of the benefit or lump sum) shall cease to have effect in relation to any benefit provided or lump sum paid on or after 1st December 1993.

(8) The repeals made by subsection (7) above shall not have effect in relation to any benefit provided or lump sum paid on or after 1st December 1993 in pursuance of a scheme or arrangement entered into before that day unless the scheme or arrangement is varied on or after that day with a view to the provision of the benefit or lump sum.

Textual Amendments

F281 S. 108(1)-(6)(7)(b) repealed (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

Annuities

F282**109 Annuities derived from personal pension schemes.**

.....

Textual Amendments

F282 Ss. 109, 110 repealed (6.4.2003) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F282**110 Annuities derived from retirement benefits schemes.**

.....

Textual Amendments

F282 Ss. 109, 110 repealed (6.4.2003) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

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Authorised unit trusts

F283 111

Textual Amendments
F283 S. 111 repealed (29.4.1996 with effect as mentioned in Sch. 41 Pt. V(1) Note 1 of the amending Act) by 1996 c. 8, ss. 73, 205, Sch. 6 para. 28, **Sch. 41 Pt. V(1)** Note 1

112 Distributions of authorised unit trusts.

Schedule 14 to this Act (distributions of authorised unit trusts) shall have effect.

F284 113 Umbrella schemes.

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Textual Amendments
F284 S. 113 repealed (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

Exchange gains and losses

114 Assets and liabilities.

F285

Textual Amendments
F285 S. 114 repealed (with effect as mentioned in s. 79(3) and Sch. 23 of the amending Act) by Finance Act 2002 (c. 23), s. 141, **Sch. 40 Pt. 3(10)**

115 Currency contracts: net payments.

F286

Textual Amendments
F286 S. 115 repealed (with effect as mentioned in s. 79(3) and Sch. 23 of the amending Act) by Finance Act 2002 (c. 23), s. 141, **Sch. 40 Pt. 3(10)**

116 Currency contracts: matching.

F287

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F287 S. 116 repealed (with effect as mentioned in s. 79(3) and Sch. 23 of the amending Act) by Finance Act 2002 (c. 23), s. 141, Sch. 40 Pt. 3(10)

Capital allowances

F288 117

Textual Amendments

F288 S. 117 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by 2001 c. 2, s. 580, Sch. 4

118 Expenditure on machinery or plant: notification.

F289 (1)

F289 (2)

F289 (3)

F289 (3A)

F289 (4)

F289 (5)

(6) For the purposes of—

F290^{F291} (a)

(b) section 44(4) of the Finance Act 1971 (provision corresponding to section 25(1) applicable to earlier chargeable periods),]

expenditure which has not formed part of a person's qualifying expenditure for a previous chargeable period may not form part of his qualifying expenditure for a subsequent chargeable period unless the machinery or plant on which the expenditure was incurred belongs to that person at some time in that subsequent period^{F292} . . .

F289 (7)

F289 (8)

F289 (9)

Textual Amendments

F289 S. 118(1)-(5)(7)-(9) repealed (28.7.2000 with effect as mentioned in s. 73(2) of the repealing Act) by 2000 c. 17, ss. 73(1)(a), 156, Sch. 40 Pt. II(8), Note 3

F290 S. 118(6)(a)(b) substituted for words in s. 118(6) (28.7.2000 with effect as mentioned in s. 73(2) of the amending Act) by 2000 c. 17, s. 73(1)(b)

F291 S. 118(6)(a) repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by 2001 c. 2, s. 580, Sch. 4

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F292 Words in [s. 118\(6\)](#) repealed (3.5.1994 with effect as mentioned in ss. 211(2), 218(1)(b) of the amending Act) by [1994 c. 9, s. 258, Sch. 26 Pt. V\(24\)](#), Note 5

119 Transactions between connected persons.

F293 (1)
 (2) Paragraph 4(2) of Schedule 7 to the ^{M28}Capital Allowances Act 1968 (provision corresponding to section 158(2)) shall be assumed always to have had effect subject to amendments corresponding to those made to section 158(2) of the 1990 Act by section 117(2) and (3) of the Finance Act 1993.

Textual Amendments

F293 [S. 119\(1\)](#) repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by [2001 c. 2, s. 580, Sch. 4](#)

Marginal Citations

M28 [1968 c. 3.](#)

F294**120**

Textual Amendments

F294 [S. 120](#) repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by [2001 c. 2, s. 580, Sch. 4](#)

F295**121**

Textual Amendments

F295 [S. 121](#) repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by [2001 c. 2, s. 580, Sch. 4](#)

Securities

F296**122 Sale and repurchase of securities: deemed manufactured payments.**

.....

Textual Amendments

F296 [S. 122](#) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\), Sch. 27 Pt. 2\(14\)](#)

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

123 Manufactured payments.

- F297(1)
- F298(2)
- F298(3)
- F298(4)
- F298(5)
- F299(6)
- F298(7)

Textual Amendments

F297 S. 123(1) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

F298 S. 123(2)-(5)(7) repealed (19.3.1997 with effect as mentioned in Sch. 10 para. 7(1), Sch. 18 Pt. VI(10), Note 1 of the repealing Act) by [1997 c. 16](#), s. 113, **Sch. 18 Pt. VI(10)**; [S.I. 1997/991](#), **art. 2**

F299 S. 123(6) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

F300

124

Textual Amendments

F300 S. 124 repealed (29.4.1996) by [1996 c. 8](#), s. 205, **Sch. 41 Pt. V(21)** Note 2

PAYE

F301

125 Payment by intermediary.

.....

Textual Amendments

F301 [Ss. 125-132](#) repealed (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F301

126 Employees working for persons other than their employers, etc.

.....

Textual Amendments

F301 [Ss. 125-132](#) repealed (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F301**127 Tradeable assets.**

.....

.....

Textual Amendments
F301 [Ss. 125-132](#) repealed (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F301**128 Non-cash vouchers.**

.....

.....

Textual Amendments
F301 [Ss. 125-132](#) repealed (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F301**129 Credit-tokens.**

.....

.....

Textual Amendments
F301 [Ss. 125-132](#) repealed (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F301**130 Cash vouchers.**

.....

.....

Textual Amendments
F301 [Ss. 125-132](#) repealed (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F301**131 Supplementary.**

.....

.....

Textual Amendments
F301 [Ss. 125-132](#) repealed (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, **Sch. 8 Pt. 1** (with [Sch. 7](#))

F301**132 Payments etc. received free of tax.**

.....

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F301 Ss. 125-132 repealed (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

133 PAYE regulations: past cases.

- (1) Regulation 4 of the 1993 Regulations (intermediate employers) is hereby revoked; but in relation to any time before its revocation it shall be deemed to have been validly made.
- (2) Regulation 3 of the 1973 Regulations (intermediate employers) shall, in relation to any time before its revocation, be deemed to have been validly made.
- (3) Where, at any time before the passing of this Act—
 - (a) a payment has been made of, or on account of, any income of an employee not resident or, if resident, not ordinarily resident in the United Kingdom,
 - (b) at the time when the payment was made it appeared that some of the income would be assessable to income tax under Case II of Schedule E, but that some of the income might prove not to be assessable to income tax under that Schedule, and
 - (c) the payment or any proportion of it was treated for the purposes of the 1993 Regulations or the 1973 Regulations as a payment to which the regulations applied,then the treatment of that payment or that proportion of the payment as being a payment to which the regulations applied shall be deemed to have been lawful.
- (4) In this section—
 - (a) “employee” means a person holding an office or employment under or with any other person;
 - (b) “the 1993 Regulations” means the ^{M29}Income Tax (Employments) Regulations 1993; and
 - (c) “the 1973 Regulations” means the ^{M30}Income Tax (Employments) Regulations 1973.

Marginal Citations

M29 [S.I. 1993/774](#).

M30 [S.I. 1973/334](#).

Miscellaneous provisions about companies

^{F302}134 Controlled foreign companies.

.....

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F302 S. 134 omitted (21.7.2009) (with effect in accordance with Sch. 16 para. 6 of the amending Act) by virtue of Finance Act 2009 (c. 10), Sch. 16 para. 5(b) (with Sch. 16 paras. 7, 8)

^{F303}135 Prevention of avoidance of corporation tax.

.....

Textual Amendments

F303 S. 135 repealed (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

136 Parts of trades: computations in different currencies.

- (1) The following section shall be inserted after section 94 of the ^{M31}Finance Act 1993 (computations in different currencies for different parts of trades)—

“94A Parts of trades: petroleum extraction companies.

- (1) If a trade carried on by a petroleum extraction company is a ring fence trade—
- (a) subsection (1) of section 94 above shall not apply as regards the trade, but
 - (b) regulations may make provision under that section as regards a case where in an accounting period the company carries on the trade and the condition mentioned in subsection (2) below is fulfilled.
- (2) The condition is that—
- (a) part of the trade consists of activities which relate to oil and are carried on under the authority of a petroleum licence in the United Kingdom or a designated area, and
 - (b) part of the trade consists of activities which relate to gas and are carried on under the authority of a petroleum licence in the United Kingdom or a designated area.
- (3) For the purposes of this section—
- (a) a petroleum licence is a licence granted under the Petroleum (Production) Act 1934 or the Petroleum (Production) Act (Northern Ireland) 1964;
 - (b) a petroleum extraction company is a company which carries on activities under the authority of such a licence;
 - (c) a designated area is an area designated by Order in Council under section 1(7) of the Continental Shelf Act 1964.
- (4) For the purposes of this section “ring fence trade” means activities which—
- (a) fall within any of paragraphs (a) to (c) of subsection (1) of section 492 of the Taxes Act 1988 (oil extraction etc.), and
 - (b) constitute a separate trade (whether by virtue of that subsection or otherwise).

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

(5) For the purposes of this section—

- (a) “oil” means such substance as falls within the meaning of oil contained in section 502(1) of the Taxes Act 1988 and is not gas;
- (b) “gas” means such substance as falls within the meaning of oil contained in section 502(1) of the Taxes Act 1988 and is gas of which the largest component by volume, measured at a temperature of 15 degrees centigrade and a pressure of one atmosphere, is methane or ethane or a combination of those gases.”

(2) In section 95(6) of the ^{M32}Finance Act 1993 (commencement of provisions about currency to be used for computations) for “94” there shall be substituted “ 94A ”.

Marginal Citations

M31 1993 c.34.

M32 1993 c. 34.

Miscellaneous

137 Enterprise investment scheme.

^{F304}(1)

^{F304}(2)

(3) The ^{M33}Taxation of Chargeable Gains Act 1992 shall have effect with the amendments made by that Schedule.

Textual Amendments

F304 S. 137(1)(2) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 2](#) (with [Sch. 2](#))

Marginal Citations

M33 1992 c. 12.

138 Foreign income dividends.

Schedule 16 to this Act (which contains provisions about foreign income dividends) shall have effect.

^{F305F306}~~138~~ Taxation of incapacity benefit.

.

Textual Amendments

F305 S. 139(1)(b) repealed (6.4.2003) by [Tax Credits Act 2002 \(c. 21\)](#), [Sch. 6](#)

F306 S. 139 repealed (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\)](#), s. 723, [Sch. 8 Pt. 1](#) (with [Sch. 7](#))

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F307 140 Restriction on deduction from income.

.....

Textual Amendments

F307 S. 140 repealed (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with Sch. 2)

F308 141 Expenditure involving crime.

.....

Textual Amendments

F308 S. 141 repealed (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with Sch. 2 Pts. 1, 2)

142 Mortgage interest payable under deduction of tax: qualifying lenders.

F309 (1)

(2) The following section shall be inserted in the Taxes Act 1988 after section 376—

“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).
- (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.

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- (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, 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, require the matter to be determined by the Special Commissioners; and the Special Commissioners shall thereupon hear and determine the matter in like manner as an appeal."
- (3) Any body which is, immediately before the date on which this Act is passed, a prescribed body for the purposes of section 376 of the Taxes Act 1988 (by virtue of an order made under subsection (5) of that section) shall be entitled to be entered in the register maintained under section 376A of that Act as a qualifying lender except that if it was, immediately before that date, a qualifying lender only in relation to such description of loan as was specified in the order, it shall be entitled to be entered in the register as a qualifying lender only in relation to that description of loan.
- (4) Until such time as the Board enter any such body in the register, that body shall be deemed to have been registered in accordance with its entitlement.

Textual Amendments

F309 S. 142(1) repealed (1.12.2001) by [S.I. 2001/3629](#), arts. 1(2)(a), 109, [Sch.](#)

^{F310}**143**

Textual Amendments

F310 S. 143 repealed (1.5.1995 with effect as mentioned in Sch. 8 para. 57 of the repealing Act) by [1995 c. 4](#), s. 162, [Sch. 29 Pt. VIII\(5\)](#), Note 2 (with Sch. 8 paras. 55(2), 57(1))

^{F311}**144 Debts released in voluntary arrangement: relief from tax.**

.....

Textual Amendments

F311 S. 144 repealed (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

^{F312}**145 Relief for business donations.**

.....

Textual Amendments

F312 S. 145 repealed (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

146 Minor corrections.

Schedule 17 to this Act (which corrects various mistakes made in or introduced into the Taxes Act 1988) shall have effect.

CHAPTER II

INTEREST RATE AND CURRENCY CONTRACTS

Modifications etc. (not altering text)

C62 [Pt. IV Chapter II](#) (ss. 147-177) restricted (31.7.1998) by [1988 c. 1, Sch. 28AA para. 8\(1\)\(b\)](#) (as inserted (31.7.1998) by [1998 c. 36, s. 108, Sch. 16](#))

C63 [Pt. IV Chapter II](#) (ss. 147-177) applied (29.4.1996 with effect as mentioned in s. 105(1) of the applying Act) by [1996 c. 8, s. 105, Sch. 15 para. 25\(4\)](#) (with savings etc. in [Pt. IV Chapter II](#) (ss. 80-105))

C64 [Pt. IV Chapter II](#) (ss. 147-177) modified (29.4.1996 with effect as mentioned in s. 105(1) of the modifying Act) by [1996 c. 8, s. 105, Sch. 15 para. 25\(2\)](#) (with savings etc. in [Pt. IV Chapter II](#) (ss. 80-105))

C65 [Pt. IV Chapter II](#) (ss. 147-177) excluded (29.4.1996 with effect as mentioned in s. 105(1) of the excluding Act) by [1996 c. 8, s. 101\(1\)](#) (with savings etc. in [Pt. IV Chapter II](#) (ss. 80-105))

Qualifying contracts

147 Qualifying contracts.

F313

Textual Amendments

F313 [Ss. 147-175, 177](#) repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. {83(2)},141, {Sch. 40 Pt. 3(13)}

147A Debt contracts and options to be qualifying contracts.

F314

Textual Amendments

F314 [Ss. 147-175, 177](#) repealed (with effect as mentioned in [s. 83\(3\)\(4\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. {83(2)},141, {Sch. 40 Pt. 3(13)}

148 Contracts which may become qualifying contracts.

F315

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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
F315 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

Interest rate and currency contracts and options

149 Interest rate contracts and options.

F316

Textual Amendments
F316 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

150 Currency contracts and options.

F317

Textual Amendments
F317 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

150A Debt contracts and options.

F318

Textual Amendments
F318 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

151 Provisions which may be included.

F319

Textual Amendments
F319 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

152 Provisions which may be disregarded.

F320

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F320 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

Other basic definitions

153 **Qualifying payments.**

F321
.....

Textual Amendments

F321 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

154 **Qualifying companies.**

F322
.....

Textual Amendments

F322 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

Accrual of profits and losses

155 **Accrual of profits and losses.**

F323
.....

Textual Amendments

F323 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

156 **Basis of accounting: general.**

F324
.....

Textual Amendments

F324 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 83(2), 141, **Sch. 40 Pt. 3(13)**

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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](#)

157 Basis of accounting for linked currency options.

F325

Textual Amendments
F325 [Ss. 147-175, 177](#) repealed (with effect as mentioned in [s. 83\(3\)\(4\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [ss. 83\(2\), 141](#), [Sch. 40 Pt. 3\(13\)](#)

158 Adjustments for changes in basis of accounting.

F326

Textual Amendments
F326 [Ss. 147-175, 177](#) repealed (with effect as mentioned in [s. 83\(3\)\(4\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [ss. 83\(2\), 141](#), [Sch. 40 Pt. 3\(13\)](#)

Treatment of profits and losses

159 Trading profits and losses.

F327

Textual Amendments
F327 [Ss. 147-175, 177](#) repealed (with effect as mentioned in [s. 83\(3\)\(4\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [ss. 83\(2\), 141](#), [Sch. 40 Pt. 3\(13\)](#)

160 Non-trading profits and losses.

F328

Textual Amendments
F328 [Ss. 147-175, 177](#) repealed (with effect as mentioned in [s. 83\(3\)\(4\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [ss. 83\(2\), 141](#), [Sch. 40 Pt. 3\(13\)](#)

Special cases

161 Termination etc. of qualifying contracts.

F329

Textual Amendments
F329 [Ss. 147-175, 177](#) repealed (with effect as mentioned in [s. 83\(3\)\(4\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [ss. 83\(2\), 141](#), [Sch. 40 Pt. 3\(13\)](#)

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Modifications etc. (not altering text)

C66 [Ss. 161-164](#) modified by 2010 c. 8, s. 464(6) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 5 para. 1** (with [Sch. 5 paras. 27, 32-34](#)))

162 **Exchange gains and losses on currency contracts.**

F330

.....

Textual Amendments

F330 [Ss. 147-175, 177](#) repealed (with effect as mentioned in [s. 83\(3\)\(4\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [ss. 83\(2\), 141](#), **Sch. 40 Pt. 3(13)**

Modifications etc. (not altering text)

C66 [Ss. 161-164](#) modified by 2010 c. 8, s. 464(6) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 5 para. 1** (with [Sch. 5 paras. 27, 32-34](#)))

163 **Irrecoverable payments.**

F331

.....

Textual Amendments

F331 [Ss. 147-175, 177](#) repealed (with effect as mentioned in [s. 83\(3\)\(4\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [ss. 83\(2\), 141](#), **Sch. 40 Pt. 3(13)**

Modifications etc. (not altering text)

C66 [Ss. 161-164](#) modified by 2010 c. 8, s. 464(6) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 5 para. 1** (with [Sch. 5 paras. 27, 32-34](#)))

164 **Released payments.**

F332

.....

Textual Amendments

F332 [Ss. 147-175, 177](#) repealed (with effect as mentioned in [s. 83\(3\)\(4\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [ss. 83\(2\), 141](#), **Sch. 40 Pt. 3(13)**

Modifications etc. (not altering text)

C66 [Ss. 161-164](#) modified by 2010 c. 8, s. 464(6) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), **Sch. 5 para. 1** (with [Sch. 5 paras. 27, 32-34](#)))

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

Anti-avoidance and related provisions

165 Transfers of value by qualifying companies.

F333

Textual Amendments
F333 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, Sch. 40 Pt. 3(13)

166 Transfers of value to associated companies.

F334

Textual Amendments
F334 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, Sch. 40 Pt. 3(13)

167 Transactions not at arm’s length.

F335

Textual Amendments
F335 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, Sch. 40 Pt. 3(13)

168 Qualifying contracts with non-residents.

F336

Textual Amendments
F336 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, Sch. 40 Pt. 3(13)

168A Qualifying contracts for unallowable purposes

F337

Textual Amendments
F337 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. {83(2)}, 141, {Sch. 40 Pt. 3(13)}

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Miscellaneous

169 Insurance and mutual trading companies.

F338

Textual Amendments
F338 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, Sch. 40 Pt. 3(13)

170 Investment trusts.

F339

Textual Amendments
F339 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, Sch. 40 Pt. 3(13)

F340 171

Textual Amendments
F340 S. 171 repealed (29.4.1996 with effect as mentioned in s. 105(1) of the repealing Act) by 1996 c. 8, s. 205, Sch. 41 Pt. V(3), Note (with savings etc. in Pt. IV Chapter II (ss. 80-105))

172 Partnerships involving qualifying companies.

F341

Textual Amendments
F341 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, Sch. 40 Pt. 3(13)

Supplemental

173 Prevention of double charging etc.

F342

Textual Amendments
F342 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, Sch. 40 Pt. 3(13)

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174 Prevention of deduction of tax.

F343

Textual Amendments
F343 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, Sch. 40 Pt. 3(13)

175 Transitional provisions.

F344

Textual Amendments
F344 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, Sch. 40 Pt. 3(13)

176 Minor and consequential amendments.

F345(1)
F346(2)

Textual Amendments
F345 S. 176(1) repealed (1.5.1995 with effect as mentioned in Sch. 8 para. 57 of the repealing Act) by 1995 c. 4, s. 162, Sch. 29 Pt. VIII(5), Note 2 (with Sch. 8 paras. 55(2), 57(1))
F346 S. 176(2) repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), Sch. 1 Pt. 10 Group 1

177 Interpretation of Chapter II.

F347

Textual Amendments
F347 Ss. 147-175, 177 repealed (with effect as mentioned in s. 83(3)(4) of the amending Act) by Finance Act 2002 (c. 23), ss. 83(2), 141, Sch. 40 Pt. 3(13)

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CHAPTER III

MANAGEMENT: SELF-ASSESSMENT ETC.

Income tax and capital gains tax

178 Personal and trustee's returns.

(1) For subsection (1) of section 8 of the Management Act (personal return) there shall be substituted the following subsections—

“(1) For the purpose of establishing the amounts in which a person is chargeable to income tax and capital gains tax for a year of assessment, he may be required by a notice given to him by an officer of the Board—

- (a) to make and deliver to the officer, on or before the day mentioned in subsection (1A) below, a return containing such information as may reasonably be required in pursuance of the notice, and
- (b) to deliver with the return such accounts, statements and documents, relating to information contained in the return, as may reasonably be so required.

(1A) The day referred to in subsection (1) above is—

- (a) the 31st January next following the year of assessment, or
- (b) where the notice under this section is given after the 31st October next following the year, the last day of the period of three months beginning with the day on which the notice is given.

(1B) In the case of a person who carries on a trade, profession, or business in partnership with one or more other persons, a return under this section shall include each amount which, in any relevant statement, is stated to be equal to his share of any income, loss or charge for the period in respect of which the statement is made.

(1C) In subsection (1B) above “relevant statement” means a statement which, as respects the partnership, falls to be made under section 12AB of this Act for a period which includes, or includes any part of, the year of assessment or its basis period.”

(2) For subsection (1) of section 8A of the Management Act (trustee's return) there shall be substituted the following subsections—

“(1) For the purpose of establishing the amounts in which a trustee of a settlement, and the settlors and beneficiaries, are chargeable to income tax and capital gains tax for a year of assessment, an officer of the Board may by a notice given to the trustee require the trustee—

- (a) to make and deliver to the officer, on or before the day mentioned in subsection (1A) below, a return containing such information as may reasonably be required in pursuance of the notice, and
- (b) to deliver with the return such accounts, statements and documents, relating to information contained in the return, as may reasonably be so required;

and a notice may be given to any one trustee or separate notices may be given to each trustee or to such trustees as the officer thinks fit.

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- (1A) The day referred to in subsection (1) above is—
- (a) the 31st January next following the year of assessment, or
 - (b) where the notice under this section is given after the 31st October next following the year, the last day of the period of three months beginning with the day on which the notice is given.”

179 Returns to include self-assessment.

For section 9 of the Management Act there shall be substituted the following section—

“9 Returns to include self-assessment.

- (1) Subject to subsection (2) below, every return under section 8 or 8A of this Act shall include an assessment (a self-assessment) of the amounts in which, on the basis of the information contained in the return, the person making the return is chargeable to income tax and capital gains tax for the year of assessment.
- (2) A person shall not be required to comply with subsection (1) above if he makes and delivers his return for a year of assessment—
 - (a) on or before the 30th September next following the year, or
 - (b) where the notice under section 8 or 8A of this Act is given after the 31st July next following the year, within the period of two months beginning with the day on which the notice is given.
- (3) Where, in making and delivering a return, a person does not comply with subsection (1) above, an officer of the Board shall if subsection (2) above applies, and may in any other case—
 - (a) make the assessment on his behalf on the basis of the information contained in the return, and
 - (b) send him a copy of the assessment so made;and references in the following provisions of this Act to a person’s self-assessment include references to an assessment made on a person’s behalf under this subsection.
- (4) Subject to subsection (5) below—
 - (a) at any time before the end of the period of nine months beginning with the day on which a person’s return is delivered, an officer of the Board may by notice to that person so amend that person’s self-assessment as to correct any obvious errors or mistakes in the return (whether errors of principle, arithmetical mistakes or otherwise); and
 - (b) at any time before the end of the period of twelve months beginning with the filing date, a person may by notice to an officer of the Board so amend his self-assessment as to give effect to any amendments to his return which he has notified to such an officer.
- (5) No amendment of a self-assessment may be made under subsection (4) above at any time during the period—
 - (a) beginning with the day on which an officer of the Board gives notice of his intention to enquire into the return, and
 - (b) ending with the day on which the officer’s enquiries into the return are completed.

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(6) In this section and section 9A of this Act “the filing date” means the day mentioned in section 8(1A) or, as the case may be, section 8A(1A) of this Act.”

F348 180

Textual Amendments
F348 S. 180 repealed (11.5.2001 with effect as mentioned in s. 88, Sch. 29 of the repealing Act) by 2001 c. 9, s. 110, Sch. 33 Pt. II(13), Note

Corporation tax

F349 181

Textual Amendments
F349 S. 181 repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by 1998 c. 36, s. 165, Sch. 27 Pt. III(28)

F350 182

Textual Amendments
F350 S. 182 repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by 1998 c. 36, s. 165, Sch. 27 Pt. III(28)

F351 183

Textual Amendments
F351 S. 183 repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by 1998 c. 36, s. 165, Sch. 27 Pt. III(28)

Partnerships

184 Partnership return.

After section 12 of the Management Act there shall be inserted the following section—

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“ Partnerships

12AA Partnership return.

- (1) Where a trade, profession or business is carried on by two or more persons in partnership, for the purpose of facilitating—
 - (a) the assessment to income tax for a year of assessment, and
 - (b) the assessment to corporation tax for any period,of each partner who is liable to be so assessed, an officer of the Board may act under subsection (2) or (3) below (or both).
- (2) An officer of the Board may by a notice given to the partners require such person as is identified in accordance with rules given with the notice—
 - (a) to make and deliver to the officer in respect of such period as may be specified in the notice, on or before such day as may be so specified, a return containing such information as may reasonably be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts and statements as may reasonably be so required.
- (3) An officer of the Board may by notice given to any partner require the partner—
 - (a) to make and deliver to the officer in respect of such period as may be specified in the notice, on or before such day as may be so specified, a return containing such information as may reasonably be required in pursuance of the notice, and
 - (b) to deliver with the return such accounts and statements as may reasonably be so required;and a notice may be given to any one partner or separate notices may be given to each partner or to such partners as the officer thinks fit.
- (4) In the case of a partnership which includes one or more individuals, the day specified in a notice under subsection (2) or (3) above shall not be earlier than—
 - (a) the 31st January next following the year of assessment concerned, or
 - (b) where the notice under this section is given after the 31st October next following the year, the last day of the period of three months beginning with the day on which the notice is given.
- (5) In the case of a partnership which includes one or more companies, the day specified in a notice under subsection (2) or (3) above shall not be earlier than—
 - (a) the first anniversary of the end of the relevant period, or
 - (b) where the notice under this section is given more than nine months after the end of the relevant period, the last day of the period of three months beginning with the day on which the notice is given;and the relevant period for the purposes of this subsection and subsection (6) below is the period in respect of which the return is required.
- (6) Every return under this section shall include—
 - (a) a declaration of the name, residence and tax reference of each of the persons who have been partners—
 - (i) for the whole of the relevant period, or

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- (ii) for any part of that period,
and, in the case of a person falling within sub-paragraph (ii) above, of the part concerned; and
- (b) a declaration by the person making the return to the effect that it is to the best of his knowledge correct and complete.
- (7) Every return under this section shall also include, if the notice under subsection (2) or (3) above so requires—
 - (a) with respect to any disposal of partnership property during a period to which any part of the return relates, the like particulars as if the partnership were liable to tax on any chargeable gain accruing on the disposal, and
 - (b) with respect to any acquisition of partnership property, the particulars required under section 12(2) of this Act.
- (8) A notice under this section may require different information, accounts and statements for different periods or in relation to different descriptions of source of income.
- (9) Notices under this section may require different information, accounts and statements in relation to different descriptions of partnership.
- (10) In this section “residence”, in relation to a company, means its registered office.”

185 Partnership return to include partnership statement.

After section 12AA of the Management Act there shall be inserted the following section—

“12AB Partnership return to include partnership statement.

- (1) Every return under section 12AA of this Act shall include a statement (a partnership statement) of the following amounts, namely—
 - (a) in the case of each period of account ending within the period in respect of which the return is made—
 - (i) the amount of income or loss from each source which, on the basis of the information contained in the return, has accrued to or has been sustained by the partnership for that period, and
 - (ii) the amount of each charge which, on that basis, was a charge on the income of the partnership for that period; and
 - (b) in the case of each such period and each of the partners, the amount which, on that basis, is equal to his share of that income, loss or charge.
- (2) Subject to subsection (3) below—
 - (a) at any time before the end of the period of nine months beginning with the day on which a person’s return is delivered, an officer of the Board may by notice to that person so amend that person’s partnership statement as to correct any obvious errors or mistakes in the return (whether errors of principle, arithmetical mistakes or otherwise); and
 - (b) at any time before the end of the period of twelve months beginning with the filing date, a person may by notice to an officer of the Board so

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amend his partnership statement as to give effect to any amendments to his return which he has notified to such an officer.

(3) No amendment of a partnership statement may be made under subsection (2) above at any time during the period—

- (a) beginning with the day on which an officer of the Board gives notice of his intention to enquire into the return, and
- (b) ending with the day on which the officer’s enquiries into the return are completed.

(4) Where a partnership statement is amended under subsection (2) above, the officer shall by notice to the partners so amend their self-assessments under section 9 or 11AA of this Act as to give effect to the amendments of the partnership statement.

(5) In this section—

“filing date” means the day specified in the notice under subsection (2) or, as the case may be, subsection (3) of section 12AA of this Act;

“period of account”, in relation to a partnership, means any period for which accounts are drawn up.”

F352 **186**

Textual Amendments

F352 S. 186 repealed (11.5.2001 with effect as mentioned in s. 88, Sch. 29 of the repealing Act) by 2001 c. 9, s. 110, **Sch. 33 Pt. II(13)**, Note

Enquiries: procedure

F353 **187 Power to call for documents.**

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Textual Amendments

F353 S. 187 omitted (1.4.2009) by virtue of **Finance Act 2008 (c. 9)**, s. 113(2), **Sch. 36 para. 92(c)** (with **Sch. 36 para. 38**); S.I. 2009/404, art. 2 (with art. 12)

F354 **188**

Textual Amendments

F354 S. 188 repealed (11.5.2001 with effect as mentioned in s. 88, Sch. 29 of the repealing Act) by 2001 c. 9, s. 110, **Sch. 33 Pt. II(13)**, Note

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F355 189

Textual Amendments

F355 S. 189 repealed (11.5.2001 with effect as mentioned in s. 88, Sch. 29 of the repealing Act) by 2001 c. 9, s. 110, Sch. 33 Pt. II(13), Note

Determinations and assessments to protect revenue

190 Determination of tax where no return delivered.

After section 28B of the Management Act there shall be inserted the following section—

“28C Determination of tax where no return delivered.

- (1) Where—
 - (a) a notice has been given to any person under section 8, 8A or 11 of this Act (the relevant section), and
 - (b) the required return is not delivered on or before the filing date,
 an officer of the Board may make a determination of the amounts in which, to the best of his information and belief, the person who should have made the return is chargeable to income tax and capital gains tax for the year of assessment or (as the case may be) is chargeable to corporation tax for the accounting period.
- (2) Notice of any determination under this section shall be served on the person in respect of whom it is made and shall state the date on which it is issued.
- (3) Until such time (if any) as it is superseded by a self-assessment made under section 9 or 11AA of this Act (whether by the taxpayer or an officer of the Board) on the basis of information contained in a return under the relevant section, a determination under this section shall have effect for the purposes of Parts VA, VI, IX and XI of this Act as if it were such a self-assessment.
- (4) Where—
 - (a) an officer of the Board has commenced any proceedings for the recovery of any tax charged by a determination under this section; and
 - (b) before those proceedings are concluded, the determination is superseded by such a self-assessment as is mentioned in subsection (3) above,
 those proceedings may be continued as if they were proceedings for the recovery of so much of the tax charged by the self-assessment as is due and payable and has not been paid.
- (5) No determination under this section, and no self-assessment superseding such a determination, shall be made otherwise than—
 - (a) before the end of the period of five years beginning with the filing date;
 or

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(b) in the case of such a self-assessment, before the end of the period of twelve months beginning with the date of the determination.

(6) In this section “the filing date” means the day mentioned in section 8(1A), section 8A(1A) or, as the case may be, section 11(4) of this Act.”

191 Assessment where loss of tax discovered.

(1) For section 29 of the Management Act there shall be substituted the following section—

“29 Assessment where loss of tax discovered.

(1) If an officer of the Board or the Board discover, as regards any person (the taxpayer) and a chargeable period—

- (a) that any profits which ought to have been assessed to tax have not been assessed, or
- (b) that an assessment to tax is or has become insufficient, or
- (c) that any relief which has been given is or has become excessive,

the officer or, as the case may be, the Board may, subject to subsections (2) and (3) below, make an assessment in the amount, or the further amount, which ought in his or their opinion to be charged in order to make good to the Crown the loss of tax.

(2) Where—

- (a) the taxpayer has made and delivered a return under section 8, 8A or 11 of this Act in respect of the relevant chargeable period, and
- (b) the situation mentioned in subsection (1) above is attributable to an error or mistake in the return as to the basis on which his liability ought to have been computed,

the taxpayer shall not be assessed under that subsection in respect of the chargeable period there mentioned if the return was in fact made on the basis or in accordance with the practice generally prevailing at the time when it was made.

(3) Where the taxpayer has made and delivered a return under section 8, 8A or 11 of this Act in respect of the relevant chargeable period, he shall not be assessed under subsection (1) above—

- (a) in respect of the chargeable period mentioned in that subsection; and
- (b) in the case of a return under section 8 or 8A, in the same capacity as that in which he made and delivered the return,

unless one of the two conditions mentioned below is fulfilled.

(4) The first condition is that the situation mentioned in subsection (1) above is attributable to fraudulent or negligent conduct on the part of the taxpayer or a person acting on his behalf.

(5) The second condition is that at the time when an officer of the Board—

- (a) ceased to be entitled to give notice of his intention to enquire into the taxpayer’s return under section 8, 8A or 11 of this Act in respect of the relevant chargeable period; or

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- (b) informed the taxpayer that he had completed his enquiries into that return,

the officer could not have been reasonably expected, on the basis of the information made available to him before that time, to be aware of the situation mentioned in subsection (1) above.
- (6) For the purposes of subsection (5) above, information is made available to an officer of the Board if—
 - (a) it is contained in the taxpayer's return under section 8, 8A or 11 of this Act in respect of the relevant chargeable period (the return), or in any accounts, statements or documents accompanying the return;
 - (b) it is contained in any claim made as regards the relevant chargeable period by the taxpayer acting in the same capacity as that in which he made the return, or in any accounts, statements or documents accompanying any such claim;
 - (c) it is contained in any documents, accounts or particulars which, for the purposes of any enquiries into the return or any such claim by an officer of the Board, are produced or furnished by the taxpayer to the officer, whether in pursuance of a notice under section 19A of this Act or otherwise; or
 - (d) it is information the existence of which, and the relevance of which as regards the situation mentioned in subsection (1) above—
 - (i) could reasonably be expected to be inferred by an officer of the Board from information falling within paragraphs (a) to (c) above; or
 - (ii) are notified in writing by the taxpayer to an officer of the Board.
- (7) In subsection (6) above—
 - (a) any reference to the taxpayer's return under section 8, 8A or 11 of this Act in respect of the relevant chargeable period includes—
 - (i) a reference to any return of his under that section for either of the two immediately preceding chargeable periods; and
 - (ii) where the return is under section 8 and the taxpayer carries on a trade, profession or business in partnership, a reference to any return with respect to the partnership under section 12AA of this Act for the relevant chargeable period or either of those periods; and
 - (b) any reference in paragraphs (b) to (d) to the taxpayer includes a reference to a person acting on his behalf.
- (8) An objection to the making of an assessment under this section on the ground that neither of the two conditions mentioned above is fulfilled shall not be made otherwise than on an appeal against the assessment.
- (9) Any reference in this section to the relevant chargeable period is a reference to—
 - (a) in the case of the situation mentioned in paragraph (a) or (b) of subsection (1) above, the chargeable period mentioned in that subsection; and

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- (b) in the case of the situation mentioned in paragraph (c) of that subsection, the chargeable period in respect of which the claim was made.
- (10) In this section “profits”—
 - (a) in relation to income tax, means income,
 - (b) in relation to capital gains tax, means chargeable gains, and
 - (c) in relation to corporation tax, means profits as computed for the purposes of that tax.”
- (2) This section, so far as it relates to partnerships whose trades, professions or businesses are set up and commenced before 6th April 1994, has effect as respects the year 1997-98 and subsequent years of assessment.

Payment of tax

192 Payments on account of income tax.

After Part V of the Management Act there shall be inserted the following section—

“PART VA

PAYMENT OF TAX

59A Payments on account of income tax.

- (1) This section applies to any person (the taxpayer) as regards a year of assessment if as regards the immediately preceding year—
 - (a) he has been assessed to income tax under section 9 of this Act in any amount, and
 - (b) that amount (the assessed amount) exceeds the amount of any income tax which has been deducted at source, and
 - (c) the amount of the excess (the relevant amount) is not less than such amount as may be prescribed by regulations made by the Board, and
 - (d) the proportion which the relevant amount bears to the assessed amount is not less than such proportion as may be so prescribed.
- (2) Subject to subsection (3) below, the taxpayer shall make two payments on account of his liability to income tax for the year of assessment—
 - (a) the first on or before the 31st January in that year, and
 - (b) the second on or before the next following 31st July;and, subject to subsection (4) below, each of those payments on account shall be of an amount equal to 50 per cent. of the relevant amount.
- (3) If, at any time before the 31st January next following the year of assessment, the taxpayer makes a claim under this subsection stating—
 - (a) his belief that he will not be assessed to income tax for that year, or that the amount in which he will be so assessed will not exceed the amount of income tax deducted at source, and
 - (b) his grounds for that belief,

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each of the payments on account shall not be, and shall be deemed never to have been, required to be made.

- (4) If, at any time before the 31st January next following the year of assessment, the taxpayer makes a claim under this subsection stating—
 - (a) his belief that the amount in which he will be assessed to income tax for that year will exceed the amount of income tax deducted at source by a stated amount which is less than the relevant amount, and
 - (b) his grounds for that belief,
 the amount of each of the payments on account required to be made shall be, and shall be deemed always to have been, equal to 50 per cent. of the stated amount.
- (5) Where the taxpayer makes a claim under subsection (3) or (4) above, there shall be made all such adjustments, whether by the repayment of amounts paid on account or otherwise, as may be required to give effect to the provisions of that subsection.
- (6) Where the taxpayer fraudulently or negligently makes any incorrect statement in connection with a claim under subsection (3) or (4) above, he shall be liable to a penalty not exceeding the difference between—
 - (a) the amount which would have been payable on account if he had made a correct statement, and
 - (b) the amount of the payment on account (if any) made by him.
- (7) The provisions of the Income Tax Acts as to the recovery of income tax shall apply to an amount falling to be paid on account of tax in the same manner as they apply to an amount of tax.
- (8) In this section any reference to income tax deducted at source is a reference to—
 - (a) income tax deducted or treated as deducted from any income or treated as paid on any income, or
 - (b) any amount which, in respect of the year of assessment, is to be deducted at source under section 203 of the principal Act in a subsequent year, or is a tax credit to which section 231 of that Act applies.”

193 Payment of income tax and capital gains tax.

After section 59A of the Management Act there shall be inserted the following section—

“59B Payment of income tax and capital gains tax.

- (1) Subject to subsection (2) below, the difference between—
 - (a) the amount of income tax and capital gains tax contained in a person’s self-assessment under section 9 of this Act for any year of assessment, and
 - (b) the aggregate of any payments on account made by him in respect of that year (whether under section 59A of this Act or otherwise) and any income tax which in respect of that year has been deducted at source,

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shall be payable by him or (as the case may be) repayable to him as mentioned in subsection (3) or (4) below.

(2) The following, namely—

- (a) any amount which, in the year of assessment, is deducted at source under section 203 of the principal Act in respect of a previous year, and
- (b) any amount which, in respect of the year of assessment, is to be deducted at source under that section in a subsequent year, or is a tax credit to which section 231 of that Act applies,

shall be respectively deducted from and added to the aggregate mentioned in subsection (1)(b) above.

(3) In a case where the person—

- (a) gave the notice required by section 7 of this Act within six months from the end of the year of assessment, but
- (b) was not given notice under section 8 or 8A of this Act until after the 31st October next following that year,

the difference shall be payable or repayable at the end of the period of three months beginning with the day on which the notice under section 8 or 8A was given.

(4) In any other case, the difference shall be payable or repayable on or before the 31st January next following the year of assessment.

(5) Where a person's self-assessment under section 9 of this Act is amended under section 9(4), section 28A(2), (3) or (4) or section 30B(2) of this Act, any amount of tax which is payable or repayable by virtue of the amendment shall, subject to section 55(6) and (9) of this Act, be payable or (as the case may be) repayable—

- (a) in a case where notice of the amendment is given after, or less than 30 days before, the day given by subsection (3) or (4) above, on or before the day following the end of the period of 30 days beginning with the day on which notice is given; and
- (b) in any other case, on or before the day given by subsection (3) or (4) above.

(6) Any amount of income tax or capital gains tax which is payable by virtue of an assessment made under section 29 of this Act shall be payable on the day following the end of the period of 30 days beginning with the day on which the notice of assessment is given.

(7) In this section any reference to income tax deducted at source is a reference to income tax deducted or treated as deducted from any income or treated as paid on any income.”

194 Surcharges on unpaid income tax and capital gains tax.

After section 59B of the Management Act there shall be inserted the following section—

Changes to legislation: *Finance Act 1994 is up to date with all changes known to be in force on or before 23 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*

“59C Surcharges on unpaid income tax and capital gains tax.

- (1) This section applies in relation to any income tax or capital gains tax which has become payable by a person (the taxpayer) in accordance with section 55 or 59B of this Act.
- (2) Where any of the tax remains unpaid on the day following the expiry of 28 days from the due date, the taxpayer shall be liable to a surcharge equal to 5 per cent. of the unpaid tax.
- (3) Where any of the tax remains unpaid on the day following the expiry of 6 months from the due date, the taxpayer shall be liable to a further surcharge equal to 5 per cent. of the unpaid tax.
- (4) Where the taxpayer has incurred a penalty under section 7, 93(5) or 95 of this Act, no part of the tax by reference to which that penalty was determined shall be regarded as unpaid for the purposes of subsection (2) or (3) above.
- (5) An officer of the Board may impose a surcharge under subsection (2) or (3) above; and notice of the imposition of such a surcharge—
 - (a) shall be served on the taxpayer, and
 - (b) shall state the day on which it is issued and the time within which an appeal against the imposition of the surcharge may be brought.
- (6) A surcharge imposed under subsection (2) or (3) above shall carry interest at the rate applicable under section 178 of the Finance Act 1989 from the end of the period of 30 days beginning with the day on which the surcharge is imposed until payment.
- (7) An appeal may be brought against the imposition of a surcharge under subsection (2) or (3) above within the period of 30 days beginning with the date on which the surcharge is imposed.
- (8) Subject to subsection (9) below, the provisions of this Act relating to appeals shall have effect in relation to an appeal under subsection (7) above as they have effect in relation to an appeal against an assessment to tax.
- (9) On an appeal under subsection (7) above section 50(6) to (8) of this Act shall not apply but the Commissioners may—
 - (a) if it appears to them that, throughout the period of default, the taxpayer had a reasonable excuse for not paying the tax, set aside the imposition of the surcharge; or
 - (b) if it does not so appear to them, confirm the imposition of the surcharge.
- (10) Inability to pay the tax shall not be regarded as a reasonable excuse for the purposes of subsection (9) above.
- (11) The Board may in their discretion—
 - (a) mitigate any surcharge under subsection (2) or (3) above, or
 - (b) stay or compound any proceedings for the recovery of any such surcharge,and may also, after judgment, further mitigate or entirely remit the surcharge.
- (12) In this section—

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“the due date”, in relation to any tax, means the date on which the tax becomes due and payable;

“the period of default”, in relation to any tax which remained unpaid after the due date, means the period beginning with that date and ending with the day before that on which the tax was paid.”

F356 **195**

Textual Amendments

F356 S. 195 repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by 1998 c. 36, s. 165, **Sch. 27 Pt. III(28)**

Miscellaneous and supplemental

196 Management: other amendments.

Schedule 19 to this Act (which makes other amendments relating to the management of tax) shall have effect.

F357 **197**

Textual Amendments

F357 S. 197 repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by 1998 c. 36, s. 165, **Sch. 27 Pt. III(28)**

F358 **198**

Textual Amendments

F358 S. 198 repealed and superseded (1.5.1995) by 1995 c. 4, ss. 116, 162, Sch. 21, **Sch. 29 Pt. VIII(14)**

199 Interpretation and commencement of Chapter III.

- (1) In this Chapter “the Management Act” means the ^{M34}Taxes Management Act 1970.
- (2) Unless the contrary intention appears, this Chapter—
 - (a) so far as it relates to income tax and capital gains tax, has effect as respects the year 1996-97 and subsequent years of assessment, and
 - (b) so far as it relates to corporation tax, has effect as respects accounting periods ending on or after the appointed day.
- (3) For the purposes of this Chapter the appointed day is such day, not earlier than 1st April 1996, as the Treasury may by order appoint.

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Subordinate Legislation Made

P5 S. 199(3) power exercised: 1.7.1999 appointed by S.I. 1998/3173, art. 2

Marginal Citations

M34 1970 c.9.

CHAPTER IV

CHANGES FOR FACILITATING SELF-ASSESSMENT

Assessment under Cases I and II of Schedule D

^{F359}**200 Assessment on current year basis.**

.....

Textual Amendments

F359 Ss. 200-208 repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), Sch. 3 (with Sch. 2)

^{F359}**201 Basis of assessment at commencement.**

.....

Textual Amendments

F359 Ss. 200-208 repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), Sch. 3 (with Sch. 2)

^{F359}**202 Change of basis period.**

.....

Textual Amendments

F359 Ss. 200-208 repealed (6.4.2005) by Income Tax (Trading and Other Income) Act 2005 (c. 5), s. 883(1), Sch. 3 (with Sch. 2)

^{F359}**203 Conditions for such a change.**

.....

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F359 Ss. 200-208 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

F359 **204 Basis of assessment on discontinuance.**

.....

Textual Amendments

F359 Ss. 200-208 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

F359 **205 Overlap profits and overlap losses.**

.....

Textual Amendments

F359 Ss. 200-208 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

Assessment under Cases III to VI of Schedule D

F359 **206 Basis of assessment under Case III.**

.....

Textual Amendments

F359 Ss. 200-208 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

F359 **207 Basis of assessment under Cases IV and V.**

.....

Textual Amendments

F359 Ss. 200-208 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

F359 **208 Basis of assessment under Case VI.**

.....

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Textual Amendments

F359 Ss. 200-208 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

Loss relief

^{F360}**209 Loss relief: general.**

.....

Textual Amendments

F360 [S. 209](#) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Modifications etc. (not altering text)

C67 [S. 209](#) amended (*retrospectively*) by [1995 c. 4](#), s. **118**

^{F361}**210 Relief for losses on unquoted shares.**

.....

Textual Amendments

F361 [S. 210](#) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

Modifications etc. (not altering text)

C68 [S. 210](#) amended (*retrospectively*) by [1995 c. 4](#), s. **119**

Capital allowances

211 Income tax allowances and charges in taxing a trade etc.

^{F362}(1)

(2) Subject to section 214(7) below, this section and sections 212 to 214 below, in their application to trades, professions or vocations set up and commenced before 6th April 1994 or employments or offices entered into before that date, have effect as respects the year 1997-98 and subsequent years of assessment.

Textual Amendments

F362 [S. 211\(1\)](#) repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by [2001 c. 2](#), s. 580, [Sch. 4](#)

^{F363}**212**

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Textual Amendments

F363 S. 212 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by [2001 c. 2, s. 580](#), [Sch. 4](#)

^{F364}**213**

Textual Amendments

F364 S. 213 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by [2001 c. 2, s. 580](#), [Sch. 4](#)

214 Amendments of other enactments.

- (1) In the Taxes Act 1988, the following provisions shall cease to have effect, namely—
- (a) in section 96 (farming and market gardening: relief for fluctuating profits), in subsection (7), paragraph (b);
 - (b) section 383 (extension of right to set-off to capital allowances);
 - (c) in section 384 (restrictions on right of set-off), in subsection (1), the words “(including any amount in respect of capital allowances which, by virtue of section 383, is to be treated as a loss)”, and in subsection (2), the words “or an allowance in respect of expenditure incurred”, paragraph (b) and the word “or” immediately preceding that paragraph;
 - (d) in section 388 (carry-back of terminal losses), in subsection (6), paragraphs (b) and (d) and the word “and” immediately preceding paragraph (d), and in subsection (7), the words from the beginning to “an earlier year: and”; and
 - (e) in section 389 (supplementary provisions relating to carry-back of terminal losses), subsections (5) to (7).

^{F365}(2)

^{F366}(3)

^{F367}(4)

^{F367}(5)

^{F367}(6)

(7) Subsection (1)(a) above—

- (a) except in its application to a trade set up and commenced on or after 6th April 1994, has effect where the first of the two years of assessment to which the claim relates is the year 1996-97 or any subsequent year, and
- (b) in its application to a trade so set up and commenced, has effect where the first of those two years of assessment is the year 1995-96 or any subsequent year.

Textual Amendments

F365 S. 214(2) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

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- F366** S. 214(3) repealed (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), **Sch. 3 Pt. 1** (with **Sch. 2**)
- F367** S. 214(4)-(6) repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by 2001 c. 2, s. 580, **Sch. 4**

Miscellaneous and supplemental

F368 215 Treatment of partnerships.

.....

Textual Amendments

- F368** S. 215 repealed (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 3 Pt. 1** (with **Sch. 2 Pts. 1, 2**)

Modifications etc. (not altering text)

- C69** S. 215 amended (*retrospectively*) by 1995 c. 4, s. 117

216 Effect of change in ownership of trade, profession or vocation.

F369 (1)

- (2) Subsections (3) to (5) of that section and, in subsection (6) of that section, the words from “and where” to the end shall cease to have effect.
- (3) The following provisions of that Act shall cease to have effect, namely—
- (a) in section 96 (farming and market gardening: relief for fluctuating profits), in subsection (6) the words from “except that” to the end;
 - (b) in section 380 (set-off against general income), subsection (3);
 - (c) in section 381 (further relief in early years of trade), subsection (6);
 - (d) in section 384 (restrictions on right of set-off), subsection (5);
 - (e) in section 385 (carry-forward against subsequent profits), subsections (2) and (5);
 - (f) in section 386 (carry-forward where business transferred to a company), subsection (4); and
 - (g) in section 389 (supplementary provisions relating to carry-back of terminal losses), subsection (3).

F370 (4)

- (5) Subsection (3)(a) above—
- (a) except in its application to a trade set up and commenced on or after 6th April 1994, has effect where the first of the two years of assessment to which the claim relates is the year 1996-97 or any subsequent year, and
 - (b) in its application to a trade so set up and commenced, has effect where the first of those two years of assessment is the year 1995-96 or any subsequent year.

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

- F369** S. 216(1) repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))
- F370** S. 216(4) repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 3](#) (with [Sch. 2](#))

^{F371}217 Double taxation relief in respect of overlap profits.

.....

Textual Amendments

- F371** S. 217 repealed (1.4.2010) (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 10 Pt. 1](#) (with [Sch. 9 paras. 1-9, 22](#))

218 Commencement, transitional provisions and savings.

- (1) Unless the contrary intention appears, this Chapter—
- except in its application to a trade set up and commenced on or after 6th April 1994 or income from a source arising to a person on or after that date, has effect as respects the year 1996-97 and subsequent years of assessment, and
 - in its application to a trade so set up and commenced or income from a source so arising, has effect as respects the year 1994-95 and subsequent years of assessment.

[^{F372}(1A) In a case where—

- a trade is set up and commenced by a company, and
 - it is not set up and commenced before 6th April 1994,
- sections 213(4) and (8) and 214(4) and (6) have effect only if it is set up and commenced on or after 6th April 1995.]
- Any reference in subsection (1) above to a trade includes a reference to a profession, vocation, employment or office.
 - Where the first underwriting year of the underwriting business of a member of Lloyd's is the year 1994, subsection (1) above shall have effect in relation to that business as if it had been set up and commenced on 6th April 1994.
 - Where, as respects income from any source, income tax is to be charged under Case IV or V of Schedule D by reference to the amounts of income received in the United Kingdom, the source shall be treated for the purposes of subsection (1) above as arising on the date on which the first amount of income is so received.
 - This Chapter shall have effect subject to the transitional provisions and savings contained in Schedule 20 to this Act.

Changes to legislation: *Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F372 S. 218(1A) inserted (*retrospectively*) by 1995 c. 4, s. 102(2)

CHAPTER V

LLOYD'S UNDERWRITERS: CORPORATIONS ETC.

Modifications etc. (not altering text)

C70 Pt. IV Chapter V (ss. 219-230) modified (1.12.1997) by S.I. 1997/2681, reg. 3(2)(a)

C71 Pt. IV Chapter V (ss. 219-230) applied (1.5.1995) by 1995 c. 4, s. 129(4)(6)

Pt. IV Chapter V (ss. 219-230) applied (1.5.1995) by 1995 c. 4, s. 127(16)(a)(19)

Main provisions

219 Taxation of profits.

- (1) Corporation tax for any accounting period on the profits arising from a corporate member's underwriting business shall be computed on the profits of that accounting period.
- (2) As respects the profits arising to a corporate member for any accounting period directly from its membership of one or more syndicates, or from assets forming part of a [^{F373}premium] trust fund—
 - (a) the aggregate of those profits shall be computed for tax purposes under [^{F374}Part 3 of the Corporation Tax Act 2009] ; and
 - (b) accordingly, no part of those profits shall be computed for those purposes [^{F375}otherwise than under Part 3 of the Corporation Tax Act 2009] .
- (3) ^{F376}... The profits arising to a corporate member for any accounting period—
 - (a) from assets forming part of an ancillary trust fund; or
 - (b) from assets employed by it in, or in connection with, its underwriting business, shall be computed for tax purposes under [^{F377}Part 3 of the Corporation Tax Act 2009] if, and to the extent that, they do not fall to be computed for those purposes [^{F378}otherwise than under Part 3 of that Act] .

^{F379}(4)

^{F380}(4A)

^{F381}(4B)

^{F382}(4C)

^{F383}(5)

Textual Amendments

F373 Words in s. 219(2)(4)(4B) substituted (1.12.2001) by S.I. 2001/3629, art. 87(a)

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- F374** Words in s. 219(2)(a) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 392\(2\)\(a\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F375** Words in s. 219(2)(b) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 392\(2\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F376** Words in s. 219(3) omitted (21.7.2009) (with effect in accordance with Sch. 14 para. 31 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 14 para. 18\(a\)](#)
- F377** Words in s. 219(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 392\(3\)\(a\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F378** Words in s. 219(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 392\(3\)\(b\)](#) (with [Sch. 2 Pts. 1, 2](#))
- F379** S. 219(4) omitted (21.7.2009) (with effect in accordance with Sch. 14 para. 31 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 14 para. 18\(b\)](#)
- F380** S. 219(4A) omitted (21.7.2009) (with effect in accordance with Sch. 14 para. 31 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 14 para. 18\(b\)](#)
- F381** S. 219(4B) omitted (with effect in accordance with Sch. 1 para. 73 of the amending Act) by virtue of [Finance Act 2016 \(c. 24\), Sch. 1 para. 56](#)
- F382** S. 219(4C) omitted (21.7.2009) (with effect in accordance with Sch. 14 para. 31 of the amending Act) by virtue of [Finance Act 2009 \(c. 10\), Sch. 14 para. 18\(b\)](#)
- F383** S. 219(5) repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 3](#) (with [Sch. 2](#))

Modifications etc. (not altering text)

- C72** S. 219 applied by 2010 c. 8, s. 454(a) (as inserted (with effect in accordance with Sch. 5 para. 25(1)-(3) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\), Sch. 5 para. 1](#) (with [Sch. 5 paras. 27, 32-34](#)))

220 Accounting period in which certain profits or losses arise.

- (1) For the purposes of section 219 above and all other purposes of the Corporation Tax Acts, the profits or losses arising to a corporate member in any accounting period directly from its membership of one or more syndicates, or from assets forming part of a [^{F384}premium] trust fund, shall be taken to be—
 - (a) if two underwriting years each fall partly within that period, the aggregate of the apportioned parts of those profits or losses in those years; and
 - (b) if a single underwriting year falls wholly or partly within that period, those profits or losses or (as the case may be) the apportioned part of those profits or losses in that year.
- (2) Subject to the provisions of this Chapter, for the purposes of subsection (1) above and all other purposes of the Corporation Tax Acts—
 - (a) the profits or losses arising to a corporate member in any underwriting year directly from its membership of one or more syndicates shall be taken to be those of any previous year or years which are declared in that year; and
 - [^{F385}(b) the profits or losses arising to a corporate member from assets forming part of a premium trust fund which shall be taken to be profits or losses of any underwriting year are—
 - (i) those allocated under the rules or practice of Lloyd’s to any previous year or years the profits or losses of which are declared in that year, and
 - (ii) those arising in that year and not so allocated to any previous year or years.]

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- (3) In this section “apportioned part”, in relation to the profits or losses of an underwriting year, means a part apportioned under [^{F386}section 52 of the Corporation Tax Act 2009] .

Textual Amendments

- F384** Words in s. 220(1)(2)(b) substituted (1.12.2001) by [S.I. 2001/3629, art. 87\(b\)](#)
F385 S. 220(2)(b) substituted (1.7.2007 with effect in accordance with reg. 1(2) of the amending S.I.) by [The Finance Act 1994, Section 220 \(Amendment\) Regulations 2007 \(S.I. 2007/1616\), regs. 1\(1\), 2](#)
F386 Words in s. 220(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 393](#) (with [Sch. 2 Pts. 1, 2](#))

^{F387}**221 Assessment and collection of tax.**

.....

Textual Amendments

- F387** [S. 221](#) repealed (20.7.2005 for specified purposes, 1.1.2006 in so far as not already in force) by [Finance \(No. 2\) Act 2005 \(c. 22\), s. 45\(4\)\(8\)\(9\), Sch. 11 Pt. 2\(11\)](#); [S.I. 2005/3337, art. 2](#)

Trust funds

222 [^{F388}Premium] trust funds.

- (1) For the purposes of the Corporation Tax Acts—
- (a) a corporate member shall be treated as absolutely entitled as against the trustees to the assets forming part of a [^{F388}premium] trust fund belonging to it; and
 - (b) where a deposit required by a regulatory authority in a country or territory outside the United Kingdom is paid out of such a fund, the money so paid shall be treated as still forming part of that fund.
- (2) Where an asset forms part of a corporate member’s [^{F388}premium] trust fund at the beginning of any underwriting year, for the purposes of the Corporation Tax Acts—
- (a) the trustees of the fund shall be treated as acquiring it on that day, and
 - (b) they shall be treated as paying in respect of the acquisition an amount equal to the value of the asset at the time of the acquisition.
- (3) Where an asset forms part of a corporate member’s [^{F388}premium] trust fund at the end of any underwriting year, for the purposes of the Corporation Tax Acts—
- (a) the trustees of the fund shall be treated as disposing of it on that day, and
 - (b) they shall be treated as obtaining in respect of the disposal an amount equal to the value of the asset at the time of the disposal.

^{F389}(4)

^{F389}(5)

^{F390}(6)

^{F390}(7)

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Textual Amendments

- F388** Words in s. 222(1)(a)(2)(3) and sidenote substituted (1.12.2001) by S.I. 2001/3629, art. 87(c)
- F389** S. 222(4)(5) repealed (19.3.1997 with effect as mentioned in Sch. 10 para. 7(1), Sch. 18 Pt. VI(10), Note 1 of the repealing Act) by 1997 c. 16, s. 113, Sch. 18 Pt. VI(10); S.I. 1997/991, art. 2
- F390** S. 222(06)(07) repealed (29.4.1996 with effect as mentioned in s. 154(9) of the repealing Act) by 1996 c. 8, s. 205, Sch. 41 Pt. V(18), Note

223 Ancillary trust funds.

A corporate member shall be treated for the purposes of the Corporation Tax Acts as absolutely entitled as against the trustees to the assets forming part of an ancillary trust fund belonging to it.

Modifications etc. (not altering text)

- C73** S. 223 applied (with modifications) (1.12.1997) by S.I. 1997/2681, reg. 5(1)

Other special cases

^{F391}224

Textual Amendments

- F391** S. 224 repealed (28.7.2000 with effect as mentioned in s. 107(12)(c) of the repealing Act) by 2000 c. 17, ss. 107(11), 156, Sch. 40 Pt. II(9)

225 Stop-loss and quota share insurance.

- (1) In computing for the purposes of corporation tax the profits of a corporate member's underwriting business, each of the following shall be deductible as an expense, namely—
- (a) any premium payable by it under a stop-loss insurance, and any repayment of insurance money paid to it under such an insurance; and
 - [^{F392}(b) where an amount is payable by it under a quota share contract—
 - (i) so much of that amount as exceeds the amount of transferred losses that are declared on or before the date the contract takes effect (“the declared amount”), or
 - (ii) if the contract does not take effect, the amount so payable under the contract.]
- (2) Subject to subsection (3) below, the following provisions apply where any insurance money is payable to a corporate member under a stop-loss insurance in respect of a loss in its underwriting business—
- (a) if the underwriting year in which the loss is declared falls within two or more accounting periods, the apportioned part of the insurance money shall be

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treated as a trading receipt in computing the profits arising from the business for each of those periods; and

- (b) if the underwriting year in which the loss is declared falls within a single accounting period, the insurance money shall be treated as a trading receipt in computing the profits arising from the business for that period.

(3) Where, as respects the payment of any such insurance money as is mentioned in subsection (2) above—

- (a) the inspector is not notified of the payment at least 30 days before the time after which any assessment or further assessment of profits for any of the accounting periods or (as the case may be) the accounting period is precluded by section 34 of the Management Act (ordinary time limit), and
- (b) the inspector is not entitled, after that time, to make any such assessment or further assessment by virtue of section 36 ([F393]loss of tax brought about carelessly or deliberately) of that Act,

that subsection shall have effect in relation to the apportioned part of that insurance money or (as the case may be) that insurance money as if, instead of that accounting period, it referred to the accounting period in which the payment is made.

[F394](3A) Where the amount payable by a corporate member under a quota share contract is less than the declared amount—

- (a) if the underwriting year in which the contract takes effect falls within a single accounting period, the difference between the two amounts (“the surplus”) shall be treated as a trading receipt in computing the profits arising from the member’s underwriting business for that period, and
- (b) if that underwriting year falls within two or more accounting periods, the apportioned part of the surplus shall be treated as a trading receipt in computing the profits arising from the member’s underwriting business for each of those periods.

(3B) Where a corporate member has entered a quota share contract, any amount paid by it to cover a cash call in respect of transferred losses that are not declared at the time the contract takes effect shall be treated, for the purposes of subsections (1)(b)(i) and (3A) above, as an amount payable under the contract at that time.]

[F395](3C) Subsection (3D) applies to any premium which is payable by a corporate member under a stop-loss insurance taken out in respect of its underwriting business and in relation to which section 220(2)(a) does not apply.

(3D) The premium is to be treated for the purposes of the Corporation Tax Acts—

- (a) as an amount that arises to the member directly from its membership of the syndicate or syndicates in relation to the activities of which the stop-loss insurance was taken out, and
- (b) as if it were payable in the underwriting year in which the profits or losses arising to the member directly from its membership of the syndicate or syndicates concerned are declared.

(3E) If a premium is payable under a stop-loss insurance in respect of two or more underwriting years, the amount of the premium treated, as a result of subsection (3D) (b), as payable in each of those years is to be determined on a just and reasonable basis.

(3F) If—

- (a) a corporate member enters into a quota share contract, and

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- (b) the main purpose, or one of the main purposes, of entering into it was to secure that amounts payable by the member under the contract were not dealt with on the basis set out in subsection (3G),

the contract is treated for the purposes of subsections (3C) to (3E) as if it were a stop-loss insurance (and, accordingly, the amounts payable under it are treated for those purposes as premiums).

- (3G) Amounts are dealt with on the basis set out in this subsection if they are treated as payable in the underwriting year in which the profits or losses arising to a corporate member directly from its membership of one or more syndicates are declared.]

[^{F396}(4) In this section—

“apportioned part”, in relation to any insurance money or other amount, means a part apportioned under [^{F397}section 52 of the Corporation Tax Act 2009] ;

“cash call” means a request for funds which, in pursuance of a contract made in accordance with the rules and practices of Lloyd's, is made to a corporate member by the agent of a syndicate of which it is a member;

“quota share contract” means any contract between a corporate member and another person which—

- (a) is made in accordance with the rules or practice of Lloyd's; and
(b) provides for that other person to take over any rights and liabilities of the member under any of the syndicates of which it is a member;

and where the taking over of a member's rights and liabilities is conditional upon the occurrence of any event, the contract does not take effect until that event occurs; and

“transferred loss”, in relation to such a contract, means a loss for which that other person takes over liability under the contract (disregarding, in the case of a loss that has been declared at the time it is taken over, any part of it in respect of which the member has paid a cash call before that time).]

Textual Amendments

F392 S. 225(1)(b) substituted (with effect as mentioned in s. 86(2) of the amending Act) by Finance Act 2002 (c. 23), s. 82(1), **Sch. 32 para. 7**

F393 Words in s. 225(3)(b) substituted (1.4.2010) by Finance Act 2008 (c. 9), s. 118(2), **Sch. 39 para. 64**; S.I. 2009/403, art. 2(2) (with art. 10)

F394 S. 225(3A)(3B) inserted (with effect as mentioned in s. 86(2) of the amending Act) by Finance Act 2002 (c. 23), s. 82(1), **Sch. 32 para. 8**

F395 S. 225(3C)-(3G) inserted (17.7.2012) (with effect in accordance with s. 25(2)-(5) of the amending Act) by Finance Act 2012 (c. 14), **s. 25(1)**

F396 S. 225(4) substituted (with effect as mentioned in s. 86(2) of the amending Act) by Finance Act 2002 (c. 23), s. 82(1), **Sch. 32 para. 9**

F397 Words in s. 225(4) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), **Sch. 1 para. 394** (with Sch. 2 Pts. 1, 2)

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Miscellaneous

226 Provisions which are not to apply.

- (1) ^{F398}
- (2) ^{F399}

[^{F400}(3) No relevant contract (within the meaning of [^{F401}Part 7 of the Corporation Tax Act 2009]) forming part of a premium trust fund of a corporate member shall be a derivative contract.]

Textual Amendments

- F398** S. 226(1) repealed (with effect as mentioned in s. 80(2) and [Sch. 24](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), ss. 80, 141, [Sch. 24 para. 7\(2\)](#), [Sch. 40 Pt. 3\(11\)](#)
- F399** S. 226(2) repealed (with effect as mentioned in s. 79(3) and [Sch. 23](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), s. 141, [Sch. 40 Pt. 3\(10\)](#)
- F400** S. 226(3) substituted (with effect as mentioned in [s. 83\(3\)\(4\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), s. 83, [Sch. 27 para. 16](#)
- F401** Words in s. 226(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 395](#) (with [Sch. 2 Pts. 1, 2](#))

Modifications etc. (not altering text)

- C74** [S. 226\(3\)](#) applied by 2010 c. 8, s. 454(b) (as inserted (with effect in accordance with [Sch. 5 para. 25\(1\)-\(3\)](#) of the amending Act) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [Sch. 5 para. 1](#) (with [Sch. 5 paras. 27, 32-34](#)))

227 Cessation: final underwriting year.

- (1) This section applies where a corporate member ceases to carry on its underwriting business, whether by reason of being wound up or otherwise.
- (2) Subject to the provisions of any regulations made by the Board—
- (a) the member's final underwriting year shall be that in which its deposit at Lloyd's is paid over to it or its liquidator, and
 - (b) the member's underwriting business shall be treated as continuing until the end of that year.

Modifications etc. (not altering text)

- C75** S. 227 excluded (1.12.1997) by [S.I. 1997/2681](#), [reg. 4\(2\)](#)

[^{F402}227A] Restriction of group relief

- (1) Losses of the last active underwriting year of a corporate member are not eligible for surrender by the corporate member as group relief to another company unless the group-relief continuity condition is satisfied.
- (2) In this section “last active underwriting year”, in relation to a corporate member, means—

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- (a) if the corporate member writes insurance business in only one underwriting year, that underwriting year, and
 - (b) otherwise, the last underwriting year in which the corporate member writes insurance business.
- (3) Where in an underwriting year—
 - (a) the corporate member writes an amount of insurance business which is insignificant when compared with that written by it in the preceding underwriting year, or
 - (b) the only insurance business written by the corporate member consists of the acceptance of reinsurance to close premiums,the underwriting year is not to be regarded for the purposes of subsection (2)(b) above as an underwriting year in which the corporate member writes insurance business.
- (4) In subsection (3)(b) above “reinsurance to close premium” means a premium or other consideration under a contract in pursuance of which, in accordance with the rules or practice of Lloyd's, one underwriting member agrees with another to meet liabilities arising from the latter's underwriting business in an underwriting year so that the accounts of the business for that year may be closed.
- (5) The group-relief continuity condition is satisfied if the corporate member (as the surrendering company) and the other company (as the claimant company) meet the conditions in [F403 section 131 (the group condition), section 132 (consortium condition 1) or section 133 (consortium conditions 2 and 3) of the Corporation Tax Act 2010] throughout the period—
 - (a) beginning with the last day of the last active underwriting year of the corporate member, and
 - (b) ending with the first day of the first underwriting year in which losses of the last active underwriting year are declared.]

Textual Amendments

F402 S. 227A inserted (19.7.2007 with effect in accordance with s. 33(2) of the amending Act) by [Finance Act 2007 \(c. 11\)](#), [s. 33\(1\)](#)

F403 Words in s. 227A(5) substituted (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), [s. 1184\(1\)](#), [Sch. 1 para. 283](#) (with [Sch. 2](#))

[F404] **227B Transfer of underwriting business without change of ownership**

- (1) This section applies where, in accordance with the rules or practice of Lloyd's, a corporate member (“the successor”) has taken up the syndicate capacity of another corporate member (“the predecessor”).
- (2) [F405 Chapter 1 of Part 22 of the Corporation Tax Act 2010 (transfers of trade without a change of ownership)] applies as if—
 - (a) [F406 the transferred trade referred to in that Chapter](⁰) were the underwriting business of the predecessor,
 - (b) the predecessor ceases to carry it on, and the successor begins to carry it on, at the end of the first underwriting year in which profits or losses of the predecessor's last active underwriting year are declared, and

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- (c) [^{F407}sections 951 and 952] were omitted.
- (3) For the purposes of subsection (1) above the successor has taken up the predecessor’s syndicate capacity if it has taken up the rights to participate in syndicates which were (or otherwise would be) offered to the predecessor.
- (4) In subsection (2)(b) above “last active underwriting year” has the same meaning as in section 227A above (see subsections (2) to (4) of that section).]

Textual Amendments

- F404** S. 227B inserted (19.7.2007 with effect in accordance with s. 43(2) of the amending Act) by [Finance Act 2007 \(c. 11\), s. 43\(1\)](#)
- F405** Words in s. 227B(2) substituted (1.4.2013) (with effect in accordance with art. 1(3) of the amending S.I.) by [The Tax Law Rewrite Acts \(Amendment\) Order 2013 \(S.I. 2013/463\), arts. 1\(2\), 7\(2\)\(a\)](#)
- F406** Words in s. 227B(2)(a) substituted (1.4.2013) (with effect in accordance with art. 1(3) of the amending S.I.) by [The Tax Law Rewrite Acts \(Amendment\) Order 2013 \(S.I. 2013/463\), arts. 1\(2\), 7\(2\)\(b\)](#)
- F407** Words in s. 227B(2)(c) substituted (1.4.2013) (with effect in accordance with art. 1(3) of the amending S.I.) by [The Tax Law Rewrite Acts \(Amendment\) Order 2013 \(S.I. 2013/463\), arts. 1\(2\), 7\(2\)\(c\)](#)

[^{F408}227C] **Exemption for profits or losses of foreign permanent establishments**

- (1) This section applies for the purposes of section 18A(6) and (7) of the Corporation Tax Act 2009 (exemption for profits or losses of foreign permanent establishments: “relevant profits amount” and “relevant losses amount”).
- (2) Any regulations made under section 229(1)(d) below are to be ignored.
- (3) Profits or losses which are taken to arise to a corporate member in an underwriting year from its membership of one or more syndicates are to be left out of account in relation to any relevant accounting period so far as they are profits or losses of a previous underwriting year which began before the relevant day (as defined in section 18F of the 2009 Act (effect of election under section 18A)).
- (4) Profits or losses arising to a corporate member from assets forming part of a premium trust fund which are taken to be profits or losses of an underwriting year are to be left out of account in relation to any relevant accounting period so far as they are allocated under the rules or practice of Lloyds to a previous underwriting year which began before the relevant day (as defined in section 18F of the 2009 Act).]

Textual Amendments

- F408** S. 227C inserted (17.7.2012) (with effect in accordance with Sch. 20 para. 55(2) of the amending Act) by [Finance Act 2012 \(c. 14\), Sch. 20 para. 8](#)

228 **Lloyd’s underwriters: individuals.**

- (1) Chapter III of Part II of the 1993 Act (Lloyd’s underwriters: individuals) shall have effect subject to the amendments specified in Schedule 21 to this Act.
- (2) The following provisions shall cease to have effect, namely—

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- (a) section 627 of the Taxes Act 1988 (elections by Lloyd’s underwriters with respect to retirement annuities);
 - (b) in section 641 of that Act, subsection (2) (elections by Lloyd’s underwriters with respect to carry-back of contributions); and
 - (c) in section 183 of the 1993 Act, subsection (3) (amendments of sections 627(5) and 641(2) of the Taxes Act 1988).
- (3) Subject to any provision to the contrary, the provisions of Schedule 21 to this Act have effect for the year 1994-95 and subsequent years of assessment.
- (4) Subsection (2) above has effect for the year 1997-98 and subsequent years of assessment.

Supplemental

229 Regulations.

[^{F409}(1)] The Board may by regulations provide—

- (a) for the assessment and collection of tax charged in accordance with section 219 above ^{F410} ...;
- (b) for making, in the event of any changes in the rules or practice of Lloyd’s, such amendments of this Chapter as appear to the Board to be expedient having regard to those changes;
- (c) for modifying the application of this Chapter in cases where a syndicate continues after the end of its closing year or a corporate member becomes insolvent or otherwise ceases to carry on its underwriting business;
- [^{F411}(ca) for modifying the application of this Chapter in relation to cases where assets forming part of a [^{F412}premium] trust fund are the subject of—
 - ^{F413}(i)
 - [^{F414}(ii) [^{F415}arrangements involving repos (within the meaning given by section 554(4) of the Corporation Tax Act 2009); or
 - (iii) arrangements meeting the conditions in section 554(2) of that Act (redemption arrangements);]
- (d) for giving credit for foreign tax.

[^{F416}(2) Any power to make regulations conferred by this section includes power to make—

- (a) different provision for different cases or different purposes, and
- (b) incidental, supplemental or transitional provision and savings.]]]

Textual Amendments

- F409** S. 229(1): s. 229 renumbered as s. 229(1) (20.7.2005 for specified purposes, 1.1.2006 in so far as not already in force) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [s. 45\(5\)\(8\)\(9\)](#); [S.I. 2005/3337](#), [art. 2](#)
- F410** Words in s. 229(1)(a) repealed (20.7.2005 for specified purposes, 1.1.2006 in so far as not already in force) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), [s. 45\(6\)\(8\)\(9\)](#), [Sch. 11 Pt. 2\(11\)](#); [S.I. 2005/3337](#), [art. 2](#)
- F411** S. 229(ca) inserted (1.5.1995) by [1995 c. 4](#), [s. 83\(2\)](#)
- F412** Word in s. 229(ca) substituted (1.12.2001) by [S.I. 2001/3629](#), [art. 87\(e\)](#)
- F413** S. 229(ca)(i) repealed (19.3.1997 with effect as mentioned in Sch. 10 para. 7(1), Sch. 18 Pt. VI(10), Note 1 of the repealing Act) by [1997 c. 16](#), [s. 113](#), [Sch. 18 Pt. VI\(10\)](#); [S.I. 1997/991](#), [art. 2](#)
- F414** S. 229(1)(ca)(ii) substituted (with effect in accordance with art. 3 of the commencing S.I.) by [Finance Act 2007 \(c. 11\)](#), [s. 47\(4\)](#), [Sch. 14 para. 19](#); [S.I. 2007/2483](#), [art. 3](#)

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- F415** S. 229(1)(ca)(ii)(iii) substituted for s. 229(1)(ca)(ii) (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 396](#) (with [Sch. 2 Pts. 1, 2](#))
- F416** S. 229(2) inserted (20.7.2005 for specified purposes, 1.1.2006 in so far as not already in force) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), s. 45(7)(8)(9); S.I. 2005/3337, art. 2

230 Interpretation and commencement.

(1) In this Chapter, unless the context otherwise requires—

“the 1993 Act” means the ^{M35}Finance Act 1993;

“ancillary trust fund”, in relation to a corporate member, does not include a [^{F417}premium] trust fund but, subject to that, means any trust fund required or authorised by the rules of Lloyd’s, or required by a members’ agent or regulating trustee of the corporate member;

“closing year”—

(a) in relation to an underwriting year, means the underwriting year next but one following that year; and

(b) in relation to a syndicate, means the closing year of the underwriting year for which it was formed;

“corporate member” means a body corporate which is a member of Lloyd’s and is or has been an underwriting member;

“inspector” includes any officer of the Board;

“the Management Act” means the ^{M36}Taxes Management Act 1970;

“managing agent”, in relation to a syndicate and an underwriting year, means—

(a) the person registered as a managing agent at Lloyd’s who was acting as such an agent for the syndicate at the end of that year, or

(b) such other person as may be determined in accordance with regulations made by the Board;

“member” means a member of Lloyd’s who is or has been an underwriting member;

“members’ agent”, in relation to a corporate member, means a person registered as a members’ agent at Lloyd’s who has been appointed by the corporate member to act as its members’ agent in respect of all or any part of its underwriting business;

[^{F418}“premium trust fund” means a trust fund into which premiums receivable by members are paid in compliance with a trust deed under [^{F419}[^{F420}Rule 8.2.19 of the [^{F421}Prudential Sourcebook for Insurers made by the Prudential Regulation Authority] under the Financial Services and Markets Act 2000;]

“prescribed” means prescribed by regulations made by the Board;

“profits” includes gains;

“regulating trustee”, in relation to a corporate member, means a person designated as such by the terms of any trust deed by which a premiums trust fund of the corporate member is constituted;

“stop-loss insurance” means any insurance taken out by a corporate member against losses in its underwriting business [^{F422}, except insurance taken out by entering a quota share contract (within the meaning of section 225 above)];

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“syndicate” means a syndicate of underwriting members of Lloyd’s formed for an underwriting year;

“underwriting business”, in relation to a corporate member, means its underwriting business as a member of Lloyd’s;

“underwriting year” means the calendar year.

- (2) For the purposes of this Chapter, unless the contrary intention appears—
- (a) the profits or losses of a corporate member’s underwriting business include profits or losses arising to it—
 - (i) from assets forming part of a [^{F423}premium] trust fund or an ancillary trust fund; or
 - (ii) from assets employed by it in, or in connection with, its underwriting business; and
 - (b) any charge made on a corporate member by the managing agent of a syndicate of which it is a member, and any expense incurred on its behalf by the managing agent of such a syndicate, shall be treated as expenses arising directly from its membership of that syndicate.
- (3) Subject to any provision to the contrary, the provisions of this Chapter have effect for accounting periods ending on or after 1st January 1994 or, as the case may require, for the underwriting year 1994 and subsequent underwriting years.]]

Textual Amendments

- F417** S. 230(1): Word in the definition of “ancillary trust fund” substituted (1.12.2001) by [S.I. 2001/3629](#), [art. 87\(f\)](#)
- F418** S. 230(1): Definition of “premium trust fund” substituted (1.12.2001) by [S.I. 2001/3629](#), [art. 85](#)
- F419** Words in s. 230(1) substituted (1.7.2005) by [The Lloyds Sourcebook \(Amendment of the Finance Act 1993 and the Finance Act 1994\) Order 2005 \(S.I. 2005/1538\)](#), arts. 1, [3](#)
- F420** Words in s. 230 substituted (31.12.2006) by [The Lloyds Sourcebook \(Finance Act 1993 and Finance Act 1994\) \(Amendment\) Order 2006 \(S.I. 2006/3273\)](#), arts. 1, [3](#)
- F421** Words in s. 230(1) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments\) Order 2013 \(S.I. 2013/636\)](#), art. 1(2), [Sch. para. 4](#)
- F422** Words in s. 230(1) inserted (with effect as mentioned in [s. 86\(2\)](#) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), [s. 86](#), [Sch. 32 para. 10](#)
- F423** Word in s. 230(2)(a)(i) substituted (1.12.2001) by [S.I. 2001/3629](#), [art. 87\(f\)](#)

Modifications etc. (not altering text)

- C76** S. 230 applied (1.5.1995) by [1995 c. 4](#), [s. 127\(16\)\(b\)](#)
- S. 230 applied (29.4.1996 with effect as mentioned in [s. 105](#) of the amending Act) by [1996 c. 8](#), [s. 99](#), [Sch. 11 para. 7\(2\)](#) (with [Pt. IV Chapter II \(ss. 80-105\)](#))

Marginal Citations

- M35** [1993 c.34.](#)
- M36** [1970 c.9.](#)

Changes to legislation: *Finance Act 1994 is up to date with all changes known to be in force on or before 23 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 V

OIL TAXATION

CHAPTER I

ELECTION BY REFERENCE TO PIPE-LINE USAGE

231 Election by reference to pipe-line with excess capacity.

- (1) The provisions of this Chapter apply where, on or before 1st January 1996, a participator in a taxable field makes, in accordance with Part I of Schedule 22 to this Act, an election with respect to that field by reference to a pipe-line—
 - (a) which is a qualifying asset;
 - (b) which is used or intended to be used for transporting oil in circumstances which give rise or are expected to give rise to tariff receipts;
 - (c) which, at the date of the election, is at least 25 kilometres in length; and
 - (d) for which the initial usage fraction does not exceed one-half.
- (2) A participator may not make an election—
 - (a) unless the field to which the election applies is (or, as the case may be, is intended to be) the chargeable field in relation to the tariff receipts referred to in subsection (1)(b) above; or
 - (b) if the first chargeable period of that field ended on or before 30th June 1982; or
 - (c) if the participator's net profit period with respect to that field ended on or before 30th June 1993;

and for the purposes of paragraph (c) above no account shall be taken of the operation of section 113 of the ^{M37}Finance Act 1981 (loss following net profit period).
- (3) If there is more than one pipe-line by reference to which the electing participator could, apart from this subsection, make an election (with respect to the same field) he may make an election only by reference to that pipe-line which is the longer or longest.
- (4) In this Chapter, in relation to a pipe-line or an election made by reference to a pipe-line, "the initial usage fraction" means the fraction of which—
 - (a) the numerator is the daily contracted and production throughput of oil in relation to the pipe-line on 16th March 1993; and
 - (b) the denominator is the design capacity of the pipe-line, expressed on a daily basis.
- (5) Subject to subsection (6) below, where an election is in operation it shall apply to all those assets which, by reference to the field to which the election applies, are at the date of the election or subsequently become—
 - (a) qualifying assets in relation to the electing participator; and
 - (b) assets to which are or are expected to be referable any tariff receipts of the electing participator attributable to that field.
- (6) If the electing participator specifies in his election that the election is to be limited to oil which is, or is expected to be, transported by the pipe-line by reference to which the election is made, the election shall apply only to such of the assets referred to

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in subsection (5) above as, in whole or in part, are or subsequently become used in connection with that oil.

- (7) For the purposes of this Chapter, unless it is just and reasonable to determine some other quantity of oil, the daily contracted and production throughput of oil in relation to a pipe-line on 16th March 1993 is the aggregate of—
- (a) the maximum daily capacity specified in contracts then in force for the use of the pipe-line (whether at that date or in the future) for transporting oil won from any taxable field (including the field to which the election applies); and
 - (b) the maximum expected daily throughput, otherwise than pursuant to such contracts, of oil transported by the pipe-line and won from the field to which the election applies or any other taxable field, being the throughput ascertained by reference to what was at that date the most recent development plan applicable to the field to which the election applies or, as the case may be, the other taxable field.
- (8) For the purposes of this Chapter, unless it is just and reasonable to determine some other capacity, the design capacity of a pipe-line is that which is specified for the pipe-line as a whole in what was, on 16th March 1993, the most recent development plan applicable to the field to which the election applies or, as the case may be, the pipe-line itself.

Marginal Citations

M37 1981 c. 35.

232 Restriction on electing participator's allowable expenditure on elected assets.

- (1) This section has effect in relation to expenditure which is incurred on an asset to which an election applies; and in this section “allowable or allowed”, in relation to any expenditure, means allowable or allowed under any of the expenditure relief provisions.
- (2) Subject to the following provisions of this section, in the case of expenditure incurred before the date of the election, the amount which, apart from this section, would be allowable or allowed in the case of the electing participator shall be reduced by multiplying it by the initial usage fraction.
- (3) Subject to subsection (5) below, in the case of expenditure incurred on or after the date of the election, the amount which, apart from this section, would be allowable or allowed in the case of the electing participator shall be reduced to nil.
- (4) Where, after 30th November 1993 and before the date of the election, expenditure was incurred on an asset to which the election applies and—
- (a) apart from this section, that expenditure would have qualified for supplement by virtue of paragraph (c) or paragraph (d) of subsection (5) of section 3 of the principal Act, and
 - (b) the effect of the expenditure is to increase the maximum capacity of the pipe-line by reference to which the election was made above its design capacity or to increase the capacity of any asset used or to be used for the initial treatment or initial storage of oil transported by the pipe-line above its development plan capacity,

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that expenditure shall be treated for the purposes of the application of subsections (2) and (3) above as if it had been incurred after the date of the election.

- (5) Where, at the date of the election, an asset to which the election applies is for the time being leased or hired under a contract which was entered into before 16th March 1993, any expenditure—

- (a) which is incurred on or after the date of the election on the leasing or hiring of the asset under the contract, and
- (b) which is not of a description falling within paragraphs (a) and (b) of subsection (4) above,

shall be treated for the purposes of the application of subsections (2) and (3) above as if it had been incurred before the date of the election.

- (6) For the purposes of subsection (4)(b) above, the development plan capacity of any asset used or to be used for the initial treatment or initial storage of oil transported by a pipe-line is—

- (a) the maximum capacity of that asset as specified in what, on 16th March 1993, was the most recent development plan applicable to the field to which the election applies or, as the case may be, to the asset itself; or
- (b) if no such maximum capacity was so specified in relation to an asset, its actual maximum capacity on that date or, if there was no such capacity on that date, nil.

- (7) Where a claim under Schedule 5 or Schedule 6 to the principal Act relates to the allowance of any expenditure to which subsection (2) above applies, the amount claimed shall take account of the operation of that subsection; and where subsection (3) above applies to any expenditure, no such claim shall be made with respect to it.

- (8) Where a claim has been made under Schedule 5 or Schedule 6 to the principal Act with respect to any expenditure and, subsequently, an election is made which has the effect of altering the amount of expenditure which is allowable or allowed,—

- (a) a notice of variation such as is mentioned in paragraph 9 of Schedule 5 to the principal Act may be served after the end of the period referred to in subparagraph (1) of that paragraph if it is served before the expiry of the period of three years beginning on the date of the election; and
- (b) if the effect of such a notice is that the net profit period with respect to the field to which the election applies is changed, the change shall not (by virtue of section 231(2) above) affect the validity of the election.

- (9) Nothing in this section affects the determination of the question whether an asset is a qualifying asset for the purposes of the 1983 Act and, accordingly, for that purpose, the preceding provisions of this section shall be disregarded in determining whether any expenditure is allowable or allowed.

233 Tax relief for certain receipts of an electing participator.

- (1) If any sum—

- (a) is received or receivable by the electing participator on or after the date of an election, and
- (b) is so received or receivable from [^{F424}any person] in respect of the use, [^{F424}otherwise than in connection with a taxable field], of an asset to which

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the election applies or the provision of services or other business facilities of whatever kind in connection with that use, and

- (c) would, apart from this section, constitute a tariff receipt attributable to the field to which the election applies,

that sum shall not be regarded as a tariff receipt for the purposes of the Oil Taxation Acts.

(2) If any sum—

- (a) is received or receivable by the electing participator on or after the date of an election, and
- (b) is so received or receivable in respect of the disposal of an asset to which the election applies or of an interest in such an asset, and
- (c) constitutes a disposal receipt of the electing participator attributable to the field to which the election applies,

that sum shall, for the purposes of the Oil Taxation Acts, be taken to be reduced in accordance with subsection (4) below.

- (3) Any reference in subsection (1) or subsection (2) above to a sum received or receivable includes a reference to an amount which (apart from this section) would be treated as a tariff receipt or disposal receipt by virtue of paragraph 5 of Schedule 2 to the 1983 Act (acquisition and disposal of qualifying assets otherwise than at arm's length).

- (4) Unless it is just and reasonable to make a different reduction, the reduction referred to in subsection (2) above shall be determined by reference to that applicable under subsection (2) or subsection (3) of section 232 above to the expenditure incurred on the asset concerned so that if, for the purposes of determining under those subsections the amount of that expenditure which was allowed or allowable,—

- (a) the whole or any part of that expenditure was reduced by multiplying it by the initial usage fraction, or
- (b) the whole or any part of that expenditure was reduced to nil,

a similar reduction shall apply to the whole or, as the case may require, to each correspondingly proportionate part of any sum falling within subsection (2) above.

- (5) In this section “the Oil Taxation Acts” means Parts I and III of the principal Act, the 1983 Act and any other enactment relating to petroleum revenue tax.

Textual Amendments

F424 Words in [s. 233\(1\)\(b\)](#) substituted (27.7.1999 with application as mentioned in [s. 101\(2\)](#) of the amending Act) by 1999 c. 16, [s. 101\(1\)](#)

234 Interpretation of Chapter and supplementary provisions.

- (1) In this Chapter “the 1983 Act” means the ^{M38}Oil Taxation Act 1983 and expressions used in this Chapter have the same meaning as in that Act.

(2) In this Chapter—

- (a) “election” means an election under section 231 above and “electing participator” means a participator who makes or has made an election;
- (b) “the expenditure relief provisions” means sections 3 and 4 of the principal Act and section 3 of the 1983 Act; and

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- (c) “the initial usage fraction” shall be construed in accordance with section 231(4) above.
- (3) In this Chapter—
 - (a) any reference to the assets to which an election applies is a reference to the pipe-line by reference to which the election is made together with the assets determined in accordance with subsections (5) and (6) of section 231 above;
 - (b) any reference to the net profit period is a reference to the chargeable period which is the net profit period for the purposes of section 111 of the ^{M39}Finance Act 1981 (restriction of expenditure supplement); and
 - (c) any reference to a development plan is a reference to a consent for, or programme of, development granted, served or approved by the Secretary of State.
- (4) Any reference in this Chapter to expenditure incurred on an asset is a reference to expenditure (whether or not of a capital nature) which—
 - (a) is incurred in acquiring, bringing into existence or enhancing the value of the asset, or
 - (b) is incurred (for any of the purposes mentioned in section 3(1) of the principal Act) by reference to the use of the asset in connection with a taxable field,
 other than expenditure which, in the hands of the recipient, constitutes a tariff receipt.
- (5) For the purposes of this Chapter—
 - (a) an election is “in operation” if it has been accepted by the Board; and
 - (b) the date of an election which is in operation is the date on which the election was received by the Board.
- (6) The provisions of Part II of Schedule 22 to this Act shall have effect for supplementing the preceding provisions of this Chapter.
- (7) The Board may make all such amendments of assessments or determinations or of decisions on claims as may be necessary in consequence of the provisions of this Chapter.

Marginal Citations

M38 1983 c. 56.

M39 1981 c. 35.

CHAPTER II

MISCELLANEOUS

235 Valuation of oil.

- (1) With respect to chargeable periods ending after 31st December 1993, subsection (5A) of section 2 of the ^{M40}Oil Taxation Act 1975 (special rules for valuation of oil consisting of gas which is disposed of in a sale at arm’s length on terms including transportation costs etc.) shall be amended as follows—
 - (a) for the words “oil consisting of gas” there shall be substituted “oil”;

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- (b) for the word “gas”, in each place where it subsequently occurs, there shall be substituted “oil”;
- (c) for the words “for delivery at a place” there shall be substituted “or another country for delivery at another place in or”; and
- ^{F425}(d)
- ^{F426}(2)
- (3) In Schedule 10 to the ^{M41}Finance Act 1987 (nomination scheme for disposals and appropriations of oil), in paragraph 4 (timing of nominations)—
 - (a) in sub-paragraph (1) for the words “sub-paragraph (2)” there shall be substituted “sub-paragraphs (2) and (2A)”; and
 - (b) after sub-paragraph (2) there shall be inserted—

“(2A) Where the proposed transaction has a transaction base date later than 31st December 1993, sub-paragraph (1) above has effect with the substitution for the reference to the second business day of a reference to the first business day.”
- (4) In paragraph 11 of that Schedule (a participator’s aggregate nominated proceeds for a month), in sub-paragraph (2) for the words “sub-paragraph (2A)” there shall be substituted “sub-paragraphs (2A) and (2B)” and after sub-paragraph (2A) there shall be inserted the following sub-paragraph—

“(2B) In the case of a nominated transaction which is a disposal to which subsection (5A) of section 2 of the principal Act applies, for the amount which, apart from this sub-paragraph, would be the nominated price for the purposes of sub-paragraph (2) above there shall be substituted the amount which, under that subsection, is deemed to be the price received or receivable for the oil in question.”

Textual Amendments

- F425** S. 235(1)(d) repealed (19.7.2006) (with effect in accordance with Sch. 26 Pt. 5(1) Note 2 of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 5\(1\)](#)
- F426** S. 235(2) repealed (19.7.2006) (with effect in accordance with Sch. 26 Pt. 5(1) Note 2 of the amending Act) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 5\(1\)](#)

Marginal Citations

- M40** 1975 c. 22.
- M41** 1987 c. 16.

236 Valuation of certain light gases.

- (1) Subject to subsection (2) below, the principal Act shall have effect subject to the amendments in Schedule 23 to this Act, being—
 - (a) amendments altering the rules for determining the market value of certain light gases for the purposes of petroleum revenue tax; and
 - (b) amendments consequential upon, or incidental to, those amendments.
- (2) The amendments in Schedule 23 to this Act do not have effect in relation to any light gases if, before 1st January 1994, an election was made under section 134 of the ^{M42}Finance Act 1982 (alternative valuation of certain ethane) or section 109 of

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the ^{M43}Finance Act 1986 (alternative valuation of certain light gases) and the election applies to those gases.

(3) No election may be made after 31st December 1993 under section 134 of the Finance Act 1982 or section 109 of the Finance Act 1986; and, accordingly—

- (a) in subsection (2) of the said section 134, after the word “section” there shall be inserted “ must be made before 1st January 1994 and ”; and
- (b) in subsection (1) of the said section 109, after the word “section” there shall be inserted “ before 1st January 1994 ”.

(4) In section 12 of the principal Act (interpretation), in subsection (1) after the definition of “licensee” there shall be inserted—

““light gases”, except in relation to an election under section 134 of the Finance Act 1982 or section 109 of the Finance Act 1986, means oil consisting of gas of which the largest component by volume over any chargeable period, measured at a temperature of 15 degrees centigrade and a pressure of one atmosphere, is methane or ethane or a combination of those gases”.

Marginal Citations

M42 1982 c. 39.

M43 1986 c. 41.

237 Abortive exploration expenditure.

(1) In section 5 of the principal Act (allowance of abortive exploration expenditure incurred before 16th March 1983), after subsection (2) there shall be inserted the following subsection—

“(2A) For the purpose only of determining under paragraph (c) of subsection (1) above whether expenditure is or is likely to become allowable for any oil field, it shall be assumed that any oil field which, apart from this subsection, would be a non-taxable field is or, as the case may be, will be a taxable field and, accordingly, that section 185(4)(e) of the Finance Act 1993 (no expenditure allowable for non-taxable fields) does not apply.”

(2) Subsection (1) above shall be deemed to have come into force at the same time as Part III of the ^{M44}Finance Act 1993 (27th July 1993).

(3) The Board may make all such amendments of assessments or determinations or of decisions on claims as may be necessary in consequence of the preceding provisions of this section.

Marginal Citations

M44 1993 c. 34.

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238 Disposals of assets producing tariff receipts.

- (1) With respect to disposals made after 30th November 1993, paragraph 5 of Schedule 2 to the ^{M45}Oil Taxation Act 1983 (acquisition and disposal of qualifying assets otherwise than at arm's length: limit on tariff and disposal receipts) shall be amended in accordance with subsections (2) and (3) below; and in this subsection “disposal” has the same meaning as in that paragraph.
- (2) In sub-paragraph (1) of paragraph 5, at the end of paragraph (c), and in place of the amendment made by section 190(5)(b) of the ^{M46}Finance Act 1993, there shall be inserted “and
 - (d) the use of the asset will be wholly by that person in connection with a taxable field in which he is a participator (and accordingly, and in particular, there will be no use giving rise to tariff receipts)”; and for the words “those receipts”, where they next occur, there shall be substituted “the receipts referred to in paragraphs (b) and (c) above”.
- (3) In sub-paragraph (3) of paragraph 5, for paragraph (b) there shall be substituted the following paragraph—
 - “(b) the disposal does not fall within sub-paragraph (1) above, and”.
- (4) The Board may make all such amendments of assessments or determinations or of decisions on claims as may be necessary in consequence of the preceding provisions of this section.

Marginal Citations

M45 1983 c. 56.

M46 1993 c. 34

PART VI

[^{F427}[^{F428}STAMP DUTY]

Textual Amendments

F427 Pt. VI heading substituted (11.2.2005) by [The Stamp Duty Land Tax \(Consequential Amendment of Enactments\) Regulations 2005 \(S.I. 2005/82\)](#), art. 1 **reg. 3(2)**

F428 Pt. VI heading substituted (30.7.2009) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), s. 48(3)(5); S.I. 2009/2094, art. 2

239 Execution of deeds.

- (1) In section 122 of the ^{M47}Stamp Act 1891 (definitions)—
 - (a) after subsection (1) there shall be inserted—

“(1A) For the purposes of this Act a deed (or, in Scotland, a deed for which delivery is required) shall be treated as executed when it is delivered or, if it is delivered subject to conditions, when the conditions are fulfilled”, and

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- (b) at the end of the definition of “executed” and “execution” in subsection (1) there shall be added “ (but subject to subsection (1A) of this section) ”.
- (2) In section 27 of the ^{M48}Stamp Duties Management Act 1891 (definitions), in the definition of “executed” and “execution”, for the words following “execution” there shall be substituted “ have the same meaning as in the Stamp Act 1891 ”.
- (3) This section shall apply to any instrument except one which, on or before 7th December 1993, has been executed for the purposes of the ^{M49}Stamp Act 1891 as that Act has effect before amendment by this section.

Marginal Citations

- M47** 1891 c. 39.
M48 1891 c. 38.
M49 1891 c. 39.

^{F429}**240 Time for presenting agreement for lease.**

- (1) This section applies if there are presented for stamping at the same time in pursuance of Schedule 13 to the Finance Act 1999—
 - (a) an agreement for a lease, and
 - (b) the lease which gives effect to the agreement,
 and the duty (if any) chargeable on the agreement is paid.
- (2) Section 15A of that Act (interest payable on late stamping) applies in relation to the agreement as if the reference to the day on which the instrument was executed were to the day on which the lease was executed.
- (3) For the purposes of section 15B of that Act (penalty on late stamping) the agreement is treated—
 - (a) as if it had been executed at the same time and place as the lease, and
 - (b) where the lease was executed outside the United Kingdom, as if it had been first received in the United Kingdom at the same time as the lease.
- (4) For the purposes of this section a lease gives effect to an agreement if the lease is granted subsequent to the agreement and either is in conformity with the agreement or relates to substantially the same property and term as the agreement.
- (5) References in this section to an agreement for a lease include missives of let in Scotland.]

Textual Amendments

- F429** Ss. 240, 240A substituted for s. 240 (27.7.1999 with application as mentioned in [s. 109\(4\)](#) of the amending Act) by [1999 c. 16, s. 109\(3\), 122, Sch. 12 para. 4](#)

^{F430}**240A Requirements before lease treated as duly stamped.**

- (1) A lease shall not be treated as duly stamped unless—
 - (a) it contains a certificate that there is no agreement to which it gives effect, or

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- (b) it is stamped with a stamp denoting—
 - (i) that there is an agreement to which it gives effect which is not chargeable with duty, or
 - (ii) the duty paid on the agreement to which it gives effect.
- (2) For the purposes of this section a lease gives effect to an agreement if the lease is granted subsequent to the agreement and either is in conformity with the agreement or relates to substantially the same property and term as the agreement.
- (3) References in this section to a lease do not include, and references in this section to an agreement do include, missives of let in Scotland.

Textual Amendments

F430 Ss. 240, 240A substituted for s. 240 (27.7.1999 with application as mentioned in [s. 109\(4\)](#) of the amending Act) by [1999 c. 16, s. 109\(3\)](#), [122](#), [Sch. 12 para. 4](#)

241 Exchange, partition, etc.

- (1) Where—
 - (a) the consideration for the transfer or vesting of any estate or interest in land or the grant of any [^{F431}lease] consists of or includes any property, and
 - (b) for the purposes of stamp duty chargeable under or by reference to [^{F432}Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale)] no amount or value is, apart from this section, attributed to that property on that transfer, vesting or grant,

then, for those purposes, the consideration or, as the case may be, the consideration so far as relating to that property shall be taken to be the market value of the property immediately before the instrument in question is executed and accordingly the instrument shall be charged with ad valorem duty under that heading.

- (2) For the purposes of this section the market value of property at any time is the price which that property might reasonably be expected to fetch on a sale at that time in the open market.

^{F433}(3)

^{F433}(4)

^{F433}(5)

- (6) This section shall apply to instruments executed after 7th December 1993, not being instruments executed in pursuance of a contract made before 30th November 1993.

Textual Amendments

F431 Word in s. 241(1)(a) substituted (27.7.1999 with effect as mentioned in [s. 112\(6\)](#) of the amending Act) by [1999 c. 16, s. 112\(4\)\(6\)](#), [122](#), [Sch. 14 para. 30\(a\)](#)

F432 Words in s. 241(1)(b) substituted (27.7.1999 with effect as mentioned in [s. 112\(6\)](#) of the amending Act) by [1999 c. 16, s. 112\(4\)\(6\)](#), [122](#), [Sch. 14 para. 30\(b\)](#)

F433 S. 241(3)-(5) repealed (27.7.1999 with effect as mentioned in Notes 1 and 2 to Sch. 20 Pt. V(2) of the repealing Act) by [1999 c. 16, s. 139](#), [Sch. 20 Pt. V\(2\)](#)

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242 Where consideration not ascertainable from conveyance or lease.

- (1) Where, for the purposes of stamp duty chargeable under or by reference to ^{F434}Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale)], the consideration, or any part of the consideration, for—
 - (a) the transfer or vesting of any estate or interest in land, or
 - (b) the grant of any ^{F435}lease],
 cannot, apart from this subsection, be ascertained at the time the instrument in question is executed, the consideration for the transfer, vesting or grant shall for those purposes be taken to be the market value immediately before the instrument is executed of the estate or interest transferred or vested or, as the case may be, the ^{F435}lease] granted.
- (2) Where, for the purposes of stamp duty chargeable under ^{F436}paragraph 12 of Schedule 13 to the Finance Act 1999], the rent, or any part of the rent, payable under any ^{F435}lease] cannot, apart from this subsection, be ascertained at the time it is executed, the rent shall for those purposes be taken to be the market rent at that time.
- (3) For the purposes of this section—
 - (a) the cases where consideration or rent cannot be ascertained at any time do not include cases where the consideration or rent could be ascertained on the assumption that any future event mentioned in the instrument in question were or were not to occur, and
 - (b) the market rent of a ^{F435}lease] at any time is the rent which the ^{F435}lease] might reasonably be expected to fetch at that time in the open market, and in this section “market value” has the same meaning as in section 241 above.
- (4) This section shall apply to instruments executed after 7th December 1993.

Textual Amendments

- F434** Words in s. 242(1) substituted (27.7.1999 with effect as mentioned in s. 112(6) of the amending Act) by 1999 c. 16, s. 112(4), 122, **Sch. 14 para. 31(3)**
- F435** Words in s. 242 substituted (27.7.1999 with effect as mentioned in s. 112(6) of the amending Act) by 1999 c. 16, s. 112(4), 122, **Sch. 14 para. 31(2)**
- F436** Words in s. 242(2) substituted (27.7.1999 with effect as mentioned in s. 112(6) of the amending Act) by 1999 c. 16, s. 112(4), 122, **Sch. 14 para. 31(4)**

243 Agreements to surrender leases.

- (1) Where, in pursuance of any agreement, any lease is surrendered (or, in Scotland, renounced) at any time otherwise than by deed, the agreement shall be treated for the purposes of ^{F437}stamp duty] as if it were a deed executed at that time effecting the surrender (or, as the case may be, renunciation).
- (2) This section shall apply to any agreement made after 7th December 1993.

Textual Amendments

- F437** Words in s. 243 substituted (27.7.1999 with effect as mentioned in s. 112(6) of the amending Act) by 1999 c. 16, s. 112(4), 122, **Sch. 14 para. 32**

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

244 Production of documents on transfer of land in Northern Ireland.

- (1) Subject to section 245 below, on the occasion of—
- (a) any transfer on sale of any freehold interest in land in Northern Ireland, or
 - (b) the grant, or any transfer on sale, of any lease of such land,
- the transferee, lessee or proposed lessee shall produce to the Commissioners the instrument by means of which the transfer is effected or the lease granted or agreed to be granted, as the case may be.
- (2) Any transferee, lessee or proposed lessee required to produce any instrument under subsection (1) above shall produce with it a document (signed by him or by some person on his behalf and showing his address) giving such particulars as may be prescribed.
- (3) Any person who, within thirty days—
- (a) after the execution of an instrument which he is required under subsection (1) above to produce, or
 - (b) in the case of such an instrument executed at a place outside Northern Ireland, after it is first received in Northern Ireland,
- fails to comply with that subsection or subsection (2) above shall be liable on summary conviction to a fine not exceeding level 1 on the standard scale.
- (4) Where any agreement for any lease of land in Northern Ireland is produced to the Commissioners together with a document (signed as mentioned in subsection (2) above) giving such particulars as may be prescribed—
- (a) it shall not be necessary to produce to them the instrument granting the lease, or any further such document as is referred to in that subsection, unless that instrument is inconsistent with the agreement, but
 - (b) the Commissioners shall, if any such instrument is produced to them and application is made for that purpose, denote on the instrument that it has been produced to them.
- (5) Notwithstanding anything in section 12 of the ^{M50}Stamp Act 1891, no instrument required by this section to be produced to the Commissioners shall be deemed, for the purposes of section 14 of that Act, to be duly stamped unless it is stamped with a stamp denoting that the instrument has been so produced.

Commencement Information

I17 S. 244 wholly in force; s. 244 not in force at Royal Assent, see s. 245(8); s. 244 in force at 4.11.1996 by [S.I. 1996/2316](#), [art. 2](#)

Marginal Citations

M50 1891 c. 39.

245 Production of documents: supplementary.

- (1) Section 244 above shall not apply to any instrument (an “exempt instrument”) falling within any prescribed class; but regulations may, in respect of exempt instruments or such descriptions of exempt instruments as may be prescribed, require such a document as is mentioned in subsection (2) of that section to be furnished in

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accordance with the regulations to the Commissioner of Valuation for Northern Ireland.

- (2) [^{F438}The information contained in any document produced to the Commissioners under section 244(2) above shall be available for use by the Commissioner of Valuation for Northern Ireland.]
- (3) Any person who fails to comply with any requirement imposed by virtue of subsection (1) above shall be liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (4) Section 244 above shall also not apply to any instrument which relates solely to—
 - (a) incorporeal hereditaments or to a grave or right of burial, ^{F439}...
 - (b) land subject to land purchase annuities which are registered in the Land Registry in Northern Ireland. [^{F440}or]
 - [^{F441}(c) an SDLT transaction within the meaning of paragraph 1(2) of Schedule 19 to the Finance Act 2003.]
- (5) In this section and section 244 above—

“lease”—

 - (a) includes an underlease or other tenancy and an agreement for a lease, underlease or tenancy, but
 - (b) does not include a mortgage, charge or lien on any property for securing money or money’s worth,

and “lessee” and “grant” shall be construed accordingly,
 “prescribed” means prescribed by regulations, and
 “regulations” means regulations made by the Commissioners under this section.
- (6) The power to make regulations under this section shall be exercisable by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (7) Regulations under this section may make different provision for different cases.
- (8) This section and section 244 above shall come into force on such day as the Treasury may by order made by statutory instrument appoint.]

Subordinate Legislation Made

P6 S. 245(8) power exercised: 4.11.1996 appointed by [S.I. 1996/2316](#), **art. 2**

Textual Amendments

F438 S. 245(2) substituted (30.7.2009) by [Finance \(No. 2\) Act 2005 \(c. 22\)](#), **s. 48(2)(5)**; [S.I. 2009/2094](#), **art. 2**

F439 Word in s. 245(4)(a) omitted (1.12.2003) by virtue of [The Stamp Duty Land Tax \(Consequential Amendment of Enactments\) Regulations 2003 \(S.I. 2003/2867\)](#), reg. 1, **Sch. para. 22(a)**

F440 Word in s. 245(4)(b) inserted (1.12.2003) by [The Stamp Duty Land Tax \(Consequential Amendment of Enactments\) Regulations 2003 \(S.I. 2003/2867\)](#), reg. 1, **Sch. para. 22(b)**

F441 S. 245(4)(c) added (1.12.2003) by [The Stamp Duty Land Tax \(Consequential Amendment of Enactments\) Regulations 2003 \(S.I. 2003/2867\)](#), reg. 1, **Sch. para. 22(c)**

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Commencement Information

- I18** S. 245 wholly in force; s. 245 not in force at Royal Assent, see s. 245(8); s. 245 in force at 4.11.1996 by [S.I. 1996/2316](#), [art. 2](#)

PART VII

INHERITANCE TAX

246 Rate bands: no indexation in 1994.

The Table substituted by section 72(1) of the ^{M51}Finance (No. 2) Act 1992 shall apply to chargeable transfers made in the year beginning 6th April 1994, and accordingly section 8(1) of the ^{M52}Inheritance Tax Act 1984 (indexation of rate bands) shall not apply to such transfers.

Marginal Citations

M51 1992 c. 48.

M52 1984 c. 51.

247 Business and agricultural relief.

- (1) In section 113B of the Inheritance Tax Act 1984 (replacement business property)—
 - (a) in subsections (2)(a) and (5)(b), for “twelve months” substitute, in each case, “ the allowed period ”; and
 - (b) in subsection (8), at the end add “ and “allowed period” means the period of three years or such longer period as the Board may allow ”.
- (2) In section 124B of the Act of 1984 (replacement agricultural property)—
 - (a) in subsections (2)(a) and (5)(b), for “twelve months” substitute, in each case, “ the allowed period ”; and
 - (b) in subsection (8), at the end add “ and “allowed period” means the period of three years or such longer period as the Board may allow ”.
- (3) This section applies in relation to transfers of value made, and other events occurring, on or after 30th November 1993.

248 Corporate Lloyd’s underwriters.

- (1) No property forming part of a premiums trust fund or ancillary trust fund of a corporate member shall be relevant property for the purposes of Chapter III of Part III of the Inheritance Tax Act 1984 (settlements without interests in possession).
- (2) In this section “ancillary trust fund”, “corporate member” and “premiums trust fund” have the same meanings as in Chapter V of Part IV of this Act (Lloyd’s underwriters: corporations etc.).

Changes to legislation: *Finance Act 1994 is up to date with all changes known to be in force on or before 23 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 VIII

MISCELLANEOUS AND GENERAL

Companies treated as non-resident

^{F442}249 Certain companies treated as non-resident.

.....

Textual Amendments

F442 [S. 249](#) repealed (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 397, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

^{F443}250 Companies treated as non-resident: supplementary.

.....

Textual Amendments

F443 [S. 250](#) repealed (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\), s. 1329\(1\), Sch. 1 para. 397, Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))

251 Companies treated as non-resident: repeals.

- (1) For the purposes of this section—
 - (a) the relevant date is 30th November 1993;
 - (b) the ^{M53}1992 Act is the Taxation of Chargeable Gains Act 1992.
- (2) In section 468F of the Taxes Act 1988 the following shall be omitted—
 - (a) in subsection (1)(c) the words “and not a dual resident”;
 - (b) in subsection (8) the definition of “dual resident”;
 and this subsection shall have effect where the date of payment is the relevant date or later.

^{F444}(3)

- (4) Sections 749(4A) and 751(2)(bb) of the Taxes Act 1988 shall be omitted; and this subsection shall be deemed to have come into force on the relevant date.
- (5) Section 139(3) of the 1992 Act shall be omitted; and this subsection shall have effect in relation to acquisitions on or after the relevant date.
- (6) Section 160 of the 1992 Act shall be omitted; and this subsection shall have effect where the disposal of the old assets (or of the interest in them) is made on or after the relevant date or the acquisition of the new assets is made (or the acquisition of the interest in them is made or the unconditional contract for their acquisition is entered into) on or after the relevant date.
- (7) The following provisions shall be omitted—

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- (a) in section 166(2) of the 1992 Act the words “or a company” and the words “or company”;
 - (b) in section 171(2) of that Act, paragraph (e) and the word “or” immediately preceding it;
 - (c) section 172(3)(a) of that Act;
- and this subsection shall have effect in relation to disposals on or after the relevant date.
- (8) In section 175(2) of the 1992 Act the words from “or a company which” to the end of paragraph (b) shall be omitted; and this subsection shall have effect where the disposal of the old assets (or of the interest in them) or the acquisition of the new assets (or of the interest in them) is made on or after the relevant date.
- (9) Section 186 of the 1992 Act shall be omitted together with the following in section 187—
- (a) in subsection (1)(a) the words “or 186”;
 - (b) in subsection (6) the words “or, as the case may be, section 186(2),” and the words “or, as the case may be, section 186(1)”;
- and this subsection shall have effect where the company concerned becomes on or after the relevant date a company which falls to be regarded as mentioned in section 186(1) .
- (10) Section 188 of the 1992 Act shall be omitted; and this subsection shall be deemed to have come into force on the relevant date.
- (11) In section 211(3) of the 1992 Act the words “(and would not be a gain on which, under any double taxation relief arrangements, it would not be liable to tax)” shall be omitted; and this subsection shall have effect where the transfer is made on or after the relevant date.

^{F445}(12)

Textual Amendments

F444 S. 251(3) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F445 S. 251(12) repealed (the repeal coming into force in accordance with the provisions of Pt. IV Ch. II (ss. 80-105) of the repealing Act) by [1996 c. 8](#), s. 205, [Sch. 41 Pt. V\(3\)](#), Note

Commencement Information

I19 S. 251 partly in force retrospectively (to 30.11.1993) as mentioned in this section.

Marginal Citations

M53 [1992 c. 12](#).

Privatisations

252 Railways.

- (1) Schedule 24 to this Act (which makes provision in connection with transfers and other disposals under or by virtue of the ^{M54}Railways Act 1993) shall have effect.

Changes to legislation: *Finance Act 1994 is up to date with all changes known to be in force on or before 23 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) Paragraphs 4(1) and 17 of that Schedule, and this section so far as relating to those provisions, shall be taken to have come into force on 5th November 1993 (the date on which the ^{M55}Railways Act 1993 was passed).
- (3) Subject to subsection (2) above, this section and that Schedule shall be taken to have come into force on 11th January 1994.

Commencement Information

I20 [S. 252](#) in force retrospectively (partly 5.11.93 and partly 11.1.1994) as mentioned in s. 252(2)(3)

Marginal Citations

M54 [1993 c. 43.](#)

M55 [1993 c. 43.](#)

253 Northern Ireland Airports Limited.

Schedule 25 to this Act (which makes provision in connection with the transfer of the undertaking of Northern Ireland Airports Limited) shall have effect.

Management

254 Practice and procedure in connection with appeals.

- (1) Section 56B of the ^{M56}Taxes Management Act 1970 (regulations about practice and procedure in connection with appeals) shall be amended as follows.
- (2) In subsection (2)(b) (documents to be made available for inspection by Commissioners or by officers of the Board) for “the Commissioners or by officers of the Board” there shall be substituted “specified persons”.
- (3) The following subsection shall be inserted after subsection (2)—
- “(2A) In subsection (2)(b) above “specified persons” means such of the following as may be specified in the regulations—
- (a) the Commissioners;
 - (b) any party to the appeal;
 - (c) officers of the Board.”

Marginal Citations

M56 [1970 c.9.](#)

^{F446}**255 Calling for documents of taxpayers and others.**

.....

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F446 S. 255 omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), **Sch. 36 para. 92(c)** (with **Sch. 36 para. 38**); S.I. 2009/404, art. 2 (with art. 12)

Assigned matters

256 Minor corrections.

- (1) The provisions mentioned in subsection (2) below (which enable revenue traders and taxable persons to be required to keep records) shall be amended in accordance with subsections (3) and (4) below (which correct minor errors in those provisions so far as they relate to the admissibility in evidence of the recorded information).
- (2) The provisions are—
 - (a) in the ^{M57}Customs and Excise Management Act 1979, section 118A; and
 - (b) in Schedule 7 to the ^{M58}Value Added Tax Act 1983, paragraph 7.

^{F447}(3)

- (4) Subsection (7) and sub-paragraph (6) of those provisions shall be omitted.

Textual Amendments

F447 S. 256(3) omitted (1.4.2011) by virtue of Finance (No. 3) Act 2010 (c. 33), s. 29(2), **Sch. 13 para. 2(a)**; S.I. 2011/777, art. 2

Marginal Citations

M57 1979 c. 2.

M58 1983 c. 55.

General

257 Interpretation and construction.

- (1) In this Act “the Taxes Act 1988” means the ^{M59}Income and Corporation Taxes Act 1988.
- (2) Part V of this Act shall be construed as one with Part I of the ^{M60}Oil Taxation Act 1975, and in Part V that Act is referred to as “the principal Act”.
- (3) Part VI of this Act shall be construed as one with the ^{M61}Stamp Act 1891.

Marginal Citations

M59 1988 c. 1.

M60 1975 c. 22.

M61 1891 c. 39.

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258 Repeals.

The enactments specified in Schedule 26 to this Act (which include provisions which are already spent) are hereby repealed to the extent specified in the third column of that Schedule, but subject to any provision of that Schedule.

259 Short title.

This Act may be cited as the Finance Act 1994.

SCHEDULES

SCHEDULE 1

Section 1.

TABLE OF RATES OF DUTY ON WINE AND MADE-WINE

“PART I

WINE OR MADE-WINE OF A STRENGTH NOT EXCEEDING 22 PER CENT.

| Description of wine or made-wine | Rates of duty per hectolitre |
|--|------------------------------|
| | £ |
| Wine or made-wine of a strength not exceeding 2 per cent. | 13.48 |
| Wine or made-wine of a strength exceeding 2 per cent. but not exceeding 3 per cent. | 22.46 |
| Wine or made-wine of a strength exceeding 3 per cent. but not exceeding 4 per cent. | 31.45 |
| Wine or made-wine of a strength exceeding 4 per cent. but not exceeding 5 per cent. | 40.44 |
| Wine or made-wine of a strength exceeding 5 per cent. but not exceeding 5.5 per cent. | 49.42 |
| Wine or made-wine of a strength exceeding 5.5 per cent. but not exceeding 15 per cent. and not being sparkling | 134.77 |
| Sparkling wine or sparkling made-wine of a strength exceeding 5.5 per cent. but not exceeding 15 per cent. | 222.55 |
| Wine or made-wine of a strength exceeding 15 per cent. but not exceeding 22 per cent. | 207.33 |

PART II

WINE OR MADE-WINE OF A STRENGTH EXCEEDING 22 PER CENT.

| Description of wine or made-wine | Rates of duty per litre of alcohol in the wine or made-wine |
|----------------------------------|---|
| | £ |

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Wine or made-wine of a strength exceeding 19.81”
22 per cent.

SCHEDULE 2 Section 5.

VEHICLES EXCISE DUTY: MISCELLANEOUS PROVISIONS

F448¹

.....

Textual Amendments
F448 Sch. 2 para. 1 repealed (1.9.1994) by [1994 c. 22](#), ss. 65, 66(1)(2), [Sch. 5 Pt. I](#) (with s. 57(4))

F449²

.....

Textual Amendments
F449 Sch. 2 para. 2 repealed (1.9.1994) by [1994 c. 22](#), ss. 65, 66(1)(2), [Sch. 5 Pt. I](#) (with s. 57(4))

F450³

.....

Textual Amendments
F450 Sch. 2 para. 3 repealed (1.9.1994) by [1994 c. 22](#), ss. 65, 66(1)(2), [Sch. 5 Pt. I](#) (with s. 57(4))

F451⁴

.....

Textual Amendments
F451 Sch. 2 para. 4 repealed (1.9.1994) by [1994 c. 22](#), ss. 65, 66(1)(2), [Sch. 5 Pt. I](#) (with s. 57(4))

F452⁵

.....

Textual Amendments
F452 Sch. 2 para. 5 repealed (1.9.1994) by [1994 c. 22](#), ss. 65, 66(1)(2), [Sch. 5 Pt. I](#) (with s. 57(4))

F453⁶

.....

Textual Amendments
F453 Sch. 2 para. 6 repealed (1.9.1994) by [1994 c. 22](#), ss. 65, 66(1)(2), [Sch. 5 Pt. I](#) (with s. 57(4))

F454⁷

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F454 Sch. 2 para. 7 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), Sch. 5 Pt. I (with s. 57(4))

F4558

.....

Textual Amendments

F455 Sch. 2 para. 8 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), Sch. 5 Pt. I (with s. 57(4))

F4569

.....

Textual Amendments

F456 Sch. 2 para. 9 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), Sch. 5 Pt. I (with s. 57(4))

F45710

.....

Textual Amendments

F457 Sch. 2 para. 10 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), Sch. 5 Pt. I (with s. 57(4))

F45811

.....

Textual Amendments

F458 Sch. 2 para. 11 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), Sch. 5 Pt. I (with s. 57(4))

F45912

.....

Textual Amendments

F459 Sch. 2 para. 12 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), Sch. 5 Pt. I (with s. 57(4))

F46013

.....

Textual Amendments

F460 Sch. 2 para. 13 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), Sch. 5 Pt. I (with s. 57(4))

F46114

.....

Textual Amendments

F461 Sch. 2 para. 14 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), Sch. 5 Pt. I (with s. 57(4))

F46215

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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
F462 Sch. 2 para. 15 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), **Sch. 5 Pt. I** (with s. 57(4))

F463 16

.....
Textual Amendments
F463 Sch. 2 para. 16 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), **Sch. 5 Pt. I** (with s. 57(4))

F464 17

.....
Textual Amendments
F464 Sch. 2 para. 17 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), **Sch. 5 Pt. I** (with s. 57(4))

F465 18

.....
Textual Amendments
F465 Sch. 2 para. 18 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), **Sch. 5 Pt. I** (with s. 57(4))

F466 19

.....
Textual Amendments
F466 Sch. 2 para. 19 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), **Sch. 5 Pt. I** (with s. 57(4))

F467 20

.....
Textual Amendments
F467 Sch. 2 para. 20 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), **Sch. 5 Pt. I** (with s. 57(4))

F468 21

.....
Textual Amendments
F468 Sch. 2 para. 21 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), **Sch. 5 Pt. I** (with s. 57(4))

F469 22

.....
Textual Amendments
F469 Sch. 2 para. 22 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), **Sch. 5 Pt. I** (with s. 57(4))

F470 23

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F470 Sch. 2 para. 23 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), Sch. 5 Pt. I (with s. 57(4))

24

In Article 34 of the ^{M62}Road Traffic (Northern Ireland) Order 1981 (obligatory vehicle test certificates), the following paragraph shall be substituted for paragraph (3)—

“(3) For the purposes of paragraph (2)(b) there shall be disregarded—

(a) the use of a vehicle before it is sold or supplied by retail; and

(b) the use of a vehicle to which a motor dealer has assigned a mark under section 20 of the Vehicles (Excise) Act 1971 before it is registered by the Secretary of State under section 19(1)(b) of that Act.”

Marginal Citations

M62 S.I. 1981/154 (N.I.1).

25

In section 47 of the ^{M63}Road Traffic Act 1988 (obligatory test certificates), the following subsection shall be substituted for subsection (4)—

“(4) For the purposes of subsection (2)(b) above there shall be disregarded—

(a) the use of a vehicle before it is sold or supplied by retail, and

(b) the use of a vehicle to which a motor dealer has assigned a mark under section 20 of the Vehicles (Excise) Act 1971 before it is registered by the Secretary of State under section 19(1)(b) of that Act.”

Marginal Citations

M63 1988 c. 52.

F471

26

.....

Textual Amendments

F471 Sch. 2 para. 26 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), Sch. 5 Pt. I (with s. 57(4))

F472

27

.....

Textual Amendments

F472 Sch. 2 para. 27 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), Sch. 5 Pt. I (with s. 57(4))

F473

28

.....

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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
F473 Sch. 2 para. 28 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1)(2), **Sch. 5 Pt. I** (with s. 57(4))

29 Paragraphs ^{F474}. . . , 24 and 25 shall come into force on 1st June 1994.

Textual Amendments
F474 Words in Sch. 2 para. 29 repealed (1.9.1994) by 1994 c. 22, ss. 65, 66(1), **Sch. 5 Pt. I** (with s. 57(4))

SCHEDULE 3 Section 6.

AMENDMENTS ABOUT GAMING MACHINE LICENCE DUTY

Licences for periods beginning on or after 1st May 1994

- 1 (1) The ^{M64}Betting and Gaming Duties Act 1981 shall be amended as follows.
- (2) For section 21(3) (period of gaming machine licences) there is substituted—
- “(3) A gaming machine licence may be granted for a period of a month, or of any number of months not exceeding twelve, beginning on any day of any month”.
- (3) Section 22(5) (rates of duty) is omitted.
- (4) For section 23 (amount of duty) there is substituted—

“23 Amount of duty.

- (1) The amount of duty payable on a gaming machine licence shall be—
- (a) the appropriate amount for the machine which it authorises, or
 - (b) if it authorises two or more machines, the aggregate of the appropriate amounts for each of those machines.
- (2) The appropriate amount for each machine shall be determined in accordance with the following Table by reference to—
- (a) the period for which the licence is granted, and
 - (b) whether the machine falls within column 2 or column 3 of the Table, and references in this Part to a rate of gaming machine licence duty are references to the rate in column 2 or the rate in column 3.

TABLE

| <i>(1) Period (in months) for which licence granted</i> | <i>(2) Small prize or five-penny machines</i> | <i>(3) Other machines</i> |
|---|---|---------------------------|
| 1 | 50 | 125 |

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| | | |
|----|-----|--------|
| 2 | 90 | 230 |
| 3 | 130 | 335 |
| 4 | 170 | 435 |
| 5 | 210 | 540 |
| 6 | 245 | 630 |
| 7 | 290 | 735 |
| 8 | 330 | 840 |
| 9 | 365 | 930 |
| 10 | 405 | 1,035 |
| 11 | 425 | 1,090 |
| 12 | 450 | 1,150” |

- (5) In section 24 (restrictions on number of licences)—
- (a) subsection (2),
 - (b) in subsections (3) and (4), “such”, and
 - (c) in subsection (6)(a), the words from “or” at the end of sub-paragraph (i) to “greater”,
- are omitted.
- (6) In section 26 (supplementary provisions), in subsection (4)—
- (a) “section 22(5) or” is omitted, and
 - (b) for “those provisions” there is substituted “ that provision ”.
- (7) In Part II of Schedule 4 (supplementary provisions) for paragraphs 6 and 7 (applications and duration of licences) there is substituted—
- “6 An application for a gaming machine licence shall be made to the Commissioners in such form and manner as they may require.
- 7 The period for which a gaming machine licence is granted shall begin with the day on which application for the licence is received by the Commissioners or, if a later day is specified for that purpose in the application, with that day; and the licence shall expire at the end of that period.”
- (8) Paragraphs 9 to 11A of that Schedule (amendment, etc.) shall not apply at any time before 1st May 1994 to any licence in relation to which this paragraph has effect.
- (9) This paragraph shall have effect in relation to gaming machine licences granted for any period beginning on or after 1st May 1994.

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

Special licences

2 No special licence (as defined in section 21(2) of the ^{M65}Betting and Gaming Duties Act 1981) may be granted for any period beginning on or after 1st May 1994.

Marginal Citations

M65 1981 c. 63.

- 3

(1) Accordingly, that Act shall be amended as follows.

(2) In section 21, for the words following “force” in subsection (1) to the end of subsection (2) there is substituted—

“a licence granted under this Part of this Act with respect to the premises.

(2) Such a licence shall be known as a gaming machine licence”.

(3) Section 21A (special licences) is omitted.

(4) In section 24—

(a) in subsection (3), the words from “but” to the end are omitted, and

(b) in subsection (4), the words “or there are special licences in force with respect to those machines” are omitted.

(5) In paragraph 8 of Schedule 4 (transfer of licences), in sub-paragraph (1), for paragraphs (a) and (b) there is substituted “transfer a gaming machine licence in respect of any premises to a successor in title to the interest in those premises of the person to whom the licence was granted ”.

(6) Paragraph 11(2) of that Schedule is omitted.

(7) In paragraph 12 of that Schedule (display of licence), for “an ordinary licence” there is substituted “a gaming machine licence ”.

F475(8)

(9) In paragraph 18 of that Schedule (forfeiture), for paragraphs (a) and (b) there is substituted “those machines which are authorised by the gaming machine licence or licences produced to him ”.

(10) Paragraph 4(2) below shall cease to have effect.

(11) This paragraph shall come into force on 1st May 1995.

Textual Amendments

F475 Sch. 3 para. 3(8) repealed (1.5.1995 with effect as mentioned in s. 14(2)(3) of the repealing Act) by 1995 c. 4, ss. 14, 162, Sch. 29 Pt. III, Note 1

Seasonal licences

4 (1) In Part I of Schedule 4 to that Act (exemptions), for paragraph 4 (and the cross-heading preceding it) there shall be substituted—

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“ Seasonal licences

- 4
- (1) If at any time during March of any year there has previously been granted a seasonal licence for that year authorising the provision of any number of small-prize machines on any premises and that licence has not been surrendered, it shall be treated for the purposes of this Act as authorising the provision at that time of that number of small-prize machines on the premises.
 - (2) Where a seasonal licence is granted for any year authorising the provision of any number of small-prize machines on any premises, and the licence is not surrendered, it shall be treated for the purposes of this Act as authorising during October of that year the provision of that number of small-prize machines on the premises.
 - (3) Subject to sub-paragraph (4) below, in this Schedule “seasonal licence”, in relation to any year, means a gaming machine licence expressed to authorise only the provision of small-prize machines on any premises for the period of six months beginning with 1st April in that year.
 - (4) A licence in respect of any premises is not a seasonal licence in relation to any year if any gaming machine licence has been granted in respect of those premises for any period which includes the whole or any part of the preceding winter period.
 - (5) If in relation to any year—
 - (a) a seasonal licence is granted in respect of any premises, and
 - (b) another gaming machine licence is granted (whether before or after the grant of the seasonal licence or after the surrender of the seasonal licence) in respect of those premises for any period which includes the whole or any part of the following winter period (and does not include the whole or any part of the preceding winter period),there shall (unless an amount has already become payable under this sub-paragraph in respect of the seasonal licence) be payable on the seasonal licence on the relevant date an additional amount of duty.
 - (6) The additional amount is the difference between the duty payable (apart from this paragraph) on that licence at the time it was granted and the amount that would have been so payable if the licence had been granted for a period of eight months or, in a case where the seasonal licence has been surrendered before the beginning of September, seven months.
 - (7) In sub-paragraph (5) above, the “relevant date” means—
 - (a) the date on which the seasonal licence is granted, or
 - (b) the date on which the other licence is granted,whichever is the later.
 - (8) In this paragraph “winter period” means November to February.”

^{F476}(2)

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- (3) Sections 21(3) and 23 of that Act (as inserted by this Schedule) shall have effect for the purposes of paragraph 4(6) of that Schedule (as so inserted) in relation to gaming machine licences granted for the period of six months beginning with 1st April 1994.
- (4) This paragraph shall have effect in relation to gaming machine licences granted for any period beginning on or after 1st April 1994.

Textual Amendments

F476 Sch. 3 para. 4(2) ceased to have effect (1.5.1995) by virtue of [1994 c. 9, s. 6, Sch. 3 para. 3\(10\)\(11\)](#)

Amendment and surrender of licences

- 5 (1) Part II of Schedule 4 to that Act shall be amended as follows.
 - (2) Paragraphs 9 and 10 (amendment of licences) are omitted.
 - (3) In paragraph 11 (surrender of licence), for sub-paragraph (1) there is substituted—
 - “(1) The holder of a gaming machine licence may surrender it to the proper officer at any time.
 - (1A) On the surrender of the licence the holder shall be entitled to repayment of duty of the following amount.
 - (1B) That amount is the difference between—
 - (a) the amount of duty actually paid on the licence, and
 - (b) the amount (if less) that would have been paid if the period for which the licence was granted had been reduced by the number of complete months in that period which have not expired,
 and for the purposes of this paragraph a seasonal licence is to be treated as granted for the period of eight months beginning with 1st March”.
 - (4) Paragraph 11A (reduction of duty in certain cases) is omitted.
 - (5) Sub-paragraph (3) above shall not apply to special licences; and sections 21(3) and 23 of that Act (as inserted by this Schedule) shall have effect for the purposes of paragraph 11(1B)(b) of that Schedule (as so inserted) in relation to gaming machine licences granted for any period beginning before 1st May 1994.
 - (6) This paragraph shall come into force on 1st May 1994.

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SCHEDULE 4

Section 9.

PENALTIES FOR STATUTORY CONTRAVENTIONS

PART I

CONTRAVENTIONS UNDER THE MANAGEMENT ACT

- 1 The Management Act shall be amended in accordance with the following provisions of this Part of this Schedule.
- 2 (1) In subsection (6) of section 92 (offence of making alteration in or addition to approved warehouse), for the words from “he shall be liable” onwards there shall be substituted “ the making of the alteration or addition shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
(2) For subsection (8) of that section (offence of contravening condition or direction given in connection with the approval of a warehouse) there shall be substituted the following subsection—
“(8) Where any person contravenes or fails to comply with any condition imposed or direction given by the Commissioners under this section, his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties).”
- 3 In section 93(6) (offence of failing to comply with any warehousing regulations or with any condition, restriction or requirement imposed under any warehousing regulations), for the words from “he shall be liable” onwards there shall be substituted “ his failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- 4 In section 100J (offence and forfeiture in the case of a contravention of REDS regulations), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any goods in respect of which any person contravenes any provision of any such regulations, or fails to comply with any such condition or restriction, shall be liable to forfeiture. ”
- 5 In section 101(4) (offence of failing to produce licence after being requested to do so)—
 - (a) for “a reasonable time” there shall be substituted “ one month ”; and
 - (b) for the words from “he shall be liable” onwards there shall be substituted “ his failure shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- 6 (1) In subsection (2) of section 107 (offence of failing to display notice or comply with directions as to the form and manner of a notice), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
(2) In subsection (3) of that section (offence of affixing misleading notice), for the words from “he shall be liable” onwards there shall be substituted “ his doing so shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- 7 In section 108(4) (offence of contravening directions in relation to premises etc. entered under the revenue trade provisions), for the words from “he shall be

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- liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- 8 (1) In subsection (1) of section 111 (using premises or article without having entered them), for the words from “he shall be liable” to the words “and any”, in the first place where they occur, there shall be substituted “ his use of the premises or article shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any ”.
- (2) Subsection (2) of that section (fraudulent use of entered premises or article) shall cease to have effect.
- 9 In section 114(2) (offence of using prohibited substance or liquor), for the words from “he shall be liable” onwards there shall be substituted “ his use of that substance or liquor in that manner shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties); but section 10 of that Act (exception for cases of reasonable excuse) shall not apply in relation to conduct attracting a penalty by virtue of this subsection. ”
- 10 (1) In subsection (4) of section 115 (offence of tampering etc. with specimen)—
- (a) for “any person other than an officer” there shall be substituted “ the revenue trader ”; and
- (b) for the words from “he shall be liable” onwards there shall be substituted “ his doing so shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- (2) After that subsection there shall be inserted the following subsection—
- “(5) For the purposes of subsection (4) above and without prejudice to section 10(1) of the Finance Act 1994 (exception for cases of reasonable excuse), conduct by an employee of the revenue trader or by any other person entitled to act on the trader’s behalf in connection with his trade shall be deemed to be conduct by that trader except in so far as he took all reasonable steps to prevent it.”
- 11 In section 116(3) (offence of failing to pay duty on demand), for the words from “the trader shall” onwards there shall be substituted “ the trader’s failure to pay the duty on demand shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) which shall be calculated by reference to the amount of the duty demanded and shall also attract daily penalties. ”
- 12 In section 118G (offences in connection with record keeping etc. by revenue traders), for the words from “he shall be liable” onwards there shall be substituted “ his failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) and, in the case of any failure to keep records, shall also attract daily penalties. ”
- F477 13

Textual Amendments

F477 Sch. 4 para. 13 omitted (1.4.2010) (with effect in accordance with art. 3 of the commencing S.I.) by virtue of Finance Act 2008 (c. 9), s. 123(2), Sch. 41 para. 25(e)(ii); S.I. 2009/511, art. 2 (with art. 4)

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PART II

CONTRAVENTIONS UNDER THE ALCOHOLIC LIQUOR DUTIES ACT 1979

- 14 The ^{M66}Alcoholic Liquor Duties Act 1979 shall be amended in accordance with the following provisions of this Part of this Schedule.

Marginal Citations

M66 1979 c. 4.

- 15 In section 8(2) (offence of contravening condition of remission of duty on spirits used for medical or scientific purposes), for the words from “then” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- 16 In section 10(2) (offence of contravening condition of remission of duty on spirits used in art or manufacture), for the words from “then” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- 17 (1) In subsection (3) of section 13 (offence and forfeiture in the case of a contravention of regulations etc. applying to the manufacture of spirits)—
- (a) for the words from “he shall” to “continues” there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) ”; and
 - (b) for the words from “in respect of which” onwards there shall be substituted “ in respect of which any person contravenes any such regulation, or fails to comply with any such regulation, condition, restriction or requirement, shall be liable to forfeiture. ”
- (2) Subsection (4) of that section (power to vary penalty under subsection (3)) shall cease to have effect.
- (3) In subsection (5) of that section (offence and forfeiture in the case of a contravention of any condition imposed with respect to any process of manufacture involving spirits), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any spirits in respect of which any person contravenes or fails to comply with any such condition shall be liable to forfeiture. ”
- 18 (1) In subsection (4) of section 15 ^{F478}....
- (2) For subsection (5) of that section there shall be substituted the following subsection—
- “(5) Where, after the approval of a distiller’s warehouse, the distiller by whom it is provided makes, without the previous consent of the Commissioners, an alteration in or addition to that warehouse, the making of the alteration or addition shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties).”
- (3) In subsection (7) of that section (offence and forfeiture in the case of a contravention of regulations relating to a distiller’s warehouse), for the words from “he shall” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any

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spirits in respect of which any person contravenes any such regulation, or fails to comply with any such regulation or condition, shall be liable to forfeiture. ”

(4) Subsection (8) of that section (power to vary penalty under subsection (7)) shall cease to have effect.

Textual Amendments
F478 Words in Sch. 4 para. 18(1) repealed (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 1\(1\)](#)

- 19 (1) In subsection (2) of section 16 (offence and forfeiture in the case of a contravention of regulations relating to racking at a distillery), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any spirits in respect of which any person contravenes or fails to comply with any such regulation shall be liable to forfeiture. ”
- (2) In subsection (3) of that section (forfeiture and offence in the case of an excess of stock), for the words from “the distiller shall be liable” onwards there shall be substituted “ there shall be deemed to have been conduct by the distiller attracting a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- 20 In section 18(6) (rectifying or compounding spirits in contravention of an excise licence), for the words from “he shall be liable” onwards there shall be substituted “ his doing so shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- 21 (1) In subsection (2) of section 19 (offence and forfeiture in the case of contraventions of obligations imposed by or under regulations relating to the rectifying etc. of spirits), for the words from “he shall” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any spirits and any other article in respect of which any person contravenes any such regulation, or fails to comply with any such regulation, condition, requirement or restriction, shall be liable to forfeiture. ”
- (2) Subsection (3) of that section (power to vary penalty under subsection (2)) shall cease to have effect.
- 22 In each of subsections (1) and (2) of section 20 (forfeiture and offences in the case of an excess or deficiency of stock), for the words from “the rectifier shall be liable” onwards there shall be substituted “ there shall be deemed to have been conduct by the rectifier attracting a penalty under section 9 of the Finance Act 1994 (civil penalties). ”

F47923

Textual Amendments
F479 Sch. 4 para. 23 repealed (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 1\(1\)](#)

F48024

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Textual Amendments

F480 Sch. 4 para. 24 omitted (17.7.2012) by virtue of [Finance Act 2012 \(c. 14\)](#), [s. 187\(2\)\(c\)](#)

F481 25

Textual Amendments

F481 Sch. 4 para. 25 repealed (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 1\(1\)](#)

26 (1) In subsection (1) of section 33 (offence and forfeiture in the case of the use of spirits relieved from spirits duty), in the words after paragraph (c), for the words from “he shall” to “greater” there shall be substituted “ his doing so shall, unless he has complied with the requirements specified in subsection (2) below, attract a penalty under section 9 of the Finance Act 1994 (civil penalties) ”.

(2) In subsection (5) of that section (contravention of enforcement regulations), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”

27 For subsection (2) of section 34 (offence of contravening prohibition on grogging) there shall be substituted the following subsection—

“(2) A contravention of this section shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties).”

F482 28

Textual Amendments

F482 Sch. 4 para. 28 repealed (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 1\(1\)](#)

29 In section 41A(8) (offence and forfeiture in the case of a contravention of a condition of registration), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any beer in respect of which any person contravenes or fails to comply with any such condition shall be liable to forfeiture. ”

30 In section 44(2) (offence of contravening condition imposed in connection with remission of duty on beer used for the purposes of research or experiment), for the words from “then” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”

31 In section 46(2) (offence of contravening regulations relating to the remission of duty on spoilt beer), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”

32 (1) In subsection (4) of section 47 (offence of failing to apply for registration as a brewer), for the words from “he shall be liable” to “scale,” there shall be substituted

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“ his failure shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) ”.

- (2) In subsection (5) of that section (offence and forfeiture in the case of the production of beer by an unregistered person), for the words from “he shall be liable” onwards there shall be substituted “ his doing so shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) which shall be calculated by reference to the amount of duty charged on the beer produced, and the beer produced and any worts found on those premises shall be liable to forfeiture. ”
- 33 For subsection (3) of section 49 (offence and forfeiture in the case of a contravention of beer regulations) there shall be substituted the following subsection—
- “(3) Where any person contravenes or fails to comply with any regulation made under this section, his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any article or substance in respect of which any person contravenes or fails to comply with any such regulation shall be liable to forfeiture.”
- 34 In section 54(5) (offence of producing wine on unlicensed premises), for the words from “he shall” to “and the wine” there shall be substituted “ his doing so shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) which shall be calculated by reference to the amount of duty charged on the wine produced, and the wine ”.
- 35 In section 55(6) (offence of producing made-wine on unlicensed premises), for the words from “he shall” to “and the made-wine” there shall be substituted “ his doing so shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) which shall be calculated by reference to the amount of duty charged on the made-wine produced, and the made-wine ”.
- F483³⁶

Textual Amendments

F483 Sch. 4 para. 36 repealed (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 1\(1\)](#)

- 37 In section 56(2) (offence and forfeiture in the case of a contravention of regulations relating to wine and made-wine), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any article in respect of which any person contravenes or fails to comply with any such regulation shall be liable to forfeiture. ”
- 38 For subsection (2) of section 59 (offence of rendering wine or made-wine sparkling) there shall be substituted the following subsection—
- “(2) Where any person contravenes subsection (1) above or is concerned in such a contravention, his contravention or, as the case may be, his being so concerned shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties).”
- 39 In section 61(2) (offence of contravening regulations relating to the remission of duty on spoilt wine or made-wine), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”

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- 40 (1) In subsection (4) of section 62 (offence of producing cider on unlicensed premises), for the words from “he shall” to “and the cider” there shall be substituted “ his doing so shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) which shall be calculated by reference to the amount of duty charged on the cider made, and the cider ”.
- (2) In subsection (6) of that section (offence and forfeiture in the case of a contravention of regulations made for the purposes of managing the duty on cider), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any article in respect of which any person contravenes or fails to comply with any such regulation shall be liable to forfeiture. ”
- 41 In section 64(2) (offence of contravening regulations relating to the remission of duty on spoilt cider), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”

F484 42

Textual Amendments

F484 Sch. 4 paras. 42-44 repealed (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 1\(1\)](#)

F484 43

Textual Amendments

F484 Sch. 4 paras. 42-44 repealed (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 1\(1\)](#)

F484 44

Textual Amendments

F484 Sch. 4 paras. 42-44 repealed (19.7.2006) by [Finance Act 2006 \(c. 25\)](#), [Sch. 26 Pt. 1\(1\)](#)

- 45 In section 75(5) (offence of unlicensed methylation of spirits)—
- (a) for “Any person who” there shall be substituted “ Where any person ”; and
 - (b) for the words from “shall be liable” onwards there shall be substituted “ his doing so shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- 46 (1) In subsection (3) of section 77 (offence of contravening regulations relating to methylated spirits or any condition, restriction or requirement imposed under any such regulations), for the words from “he shall be liable” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- (2) In subsection (4) of that section (offence of unlicensed dealing in methylated spirits), for the words from “he shall be liable” onwards there shall be substituted “ his doing so shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”

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(3) In subsection (5) of that section (forfeiture), for “an offence under subsection (3) or (4) above is committed” there shall be substituted “ there is such a contravention or failure to comply as is mentioned in subsection (3) above or any such dealing as is mentioned in subsection (4) above ”.

F485 47

Textual Amendments
F485 Sch. 4 para. 47 repealed (1.7.2005) by Finance Act 1995 (c. 4), s. 5(6), Sch. 29 Pt. I(3); S.I. 2005/1523, art. 2 (with art. 3)

F486 48

Textual Amendments
F486 Sch. 4 para. 48 repealed (19.7.2006) by Finance Act 2006 (c. 25), Sch. 26 Pt. 1(1)

PART III

CONTRAVENTIONS UNDER THE HYDROCARBON OIL DUTIES ACT 1979

49 The M67Hydrocarbon Oil Duties Act 1979 shall be amended in accordance with the following provisions of this Part of this Schedule.

Marginal Citations
M67 1979 c. 5.

- 50 (1) In subsection (3) of section 10 (offences in connection with use etc. of oil that has been relieved of duty for a purpose which does not qualify for relief)—
- (a) for “A person who” there shall be substituted “ Where any person ”; and
 - (b) for the words from “shall be liable” to “greater” there shall be substituted “ his use or acquisition of the oil or, as the case may be, his becoming so liable shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) ”.
- (2) In subsection (4) of that section (offence of supplying for a use that does not qualify for relief)—
- (a) for “A person who” there shall be substituted “ Where any person ”;
 - (b) for the words from “shall be liable” to “greater, if” there shall be substituted “ and ”; and
 - (c) at the end there shall be inserted “ his supplying the oil shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) ”.
- 51 (1) In subsection (1) of section 13 (offences in connection with use etc. of heavy oil)—
- (a) for “A person who” there shall be substituted “ Where any person ”; and
 - (b) for the words from “shall be liable” to “greater” there shall be substituted “ his use of the oil or, as the case may be, his becoming so liable shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) ”.

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- (2) In subsection (2) of that section (offence of supplying heavy oil for a use in contravention of section 12(2))—
- (a) for “A person who” there shall be substituted “Where any person”;
 - (b) for the words from “shall be liable” to “greater, where” there shall be substituted “and”; and
 - (c) at the end there shall be inserted “his supplying the oil shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties).”
- 52 (1) In subsection (4) of section 14 (offences in connection with use etc. of oil in the case of which rebate has been allowed)—
- (a) for “A person who” there shall be substituted “Where any person”; and
 - (b) for the words from “shall be liable” to “greater” there shall be substituted “his use or acquisition of the oil or, as the case may be, his becoming so liable shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties).”
- (2) In subsection (5) of that section (offence of supplying for a use for which no rebate is allowed)—
- (a) for “A person who” there shall be substituted “Where any person”;
 - (b) for the words from “shall be liable” to “greater, if” there shall be substituted “and”; and
 - (c) at the end there shall be inserted “his supplying the oil shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties).”

F487 53

Textual Amendments

F487 Sch. 4 para. 53 repealed (1.11.1996) by 1996 c. 8, s. 205, **Sch. 41 Pt. I**, Note; S.I. 1996/2536, **art. 2**

- 54 In section 20AA(4) (offence and forfeiture in the case of a contravention of the regulations relating to reliefs), for paragraph (a) there shall be substituted the following paragraph—
- “(a) his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties); and”.
- 55 In section 21(3) (offence and forfeiture in the case of a contravention of regulations relating to administration or enforcement)—
- (a) for “A person who” there shall be substituted “Where any person”; and
 - (b) for the words from “shall be liable on” onwards there shall be substituted “his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any goods in respect of which any person contravenes or fails to comply with any such regulation shall be liable to forfeiture.”
- 56 (1) In subsection (1) of section 22 (offence and forfeiture in the case of the use of fuel substitute for a chargeable purpose without duty having been paid)—
- (a) for “A person who” there shall be substituted “Where any person”; and
 - (b) for the words from “shall be liable on” onwards there shall be substituted “his putting the liquid to that use shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any goods in respect of which any person contravenes this subsection shall be liable to forfeiture.”

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

“(1A) Section 10 of the Finance Act 1994 (exception for cases of reasonable excuse) shall not apply in relation to conduct attracting a penalty by virtue of subsection (1) above.”

57 (1) In subsection (1) of section 23 (offence and forfeiture in the case of the use etc. of road fuel gas without duty having been paid)—

- (a) for “A person who” there shall be substituted “Where any person”; and
- (b) for the words from “shall be liable on” onwards there shall be substituted “his use of the road fuel gas or, as the case may be, his taking it as fuel into that vehicle shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any goods in respect of which a person contravenes this subsection shall be liable to forfeiture.”

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

“(1A) Section 10 of the Finance Act 1994 (exception for cases of reasonable excuse) shall not apply in relation to conduct attracting a penalty by virtue of subsection (1) above.”

58 In section 24(4) (offence and forfeiture in the case of a contravention of regulations relating to incidental matters)—

- (a) for “A person who” there shall be substituted “Where any person”; and
- (b) for the words from “shall be liable on” onwards there shall be substituted “his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any goods in respect of which any person contravenes or fails to comply with any such regulation shall be liable to forfeiture.”

PART IV

CONTRAVENTIONS UNDER THE TOBACCO PRODUCTS DUTY ACT 1979

59 In section 7(2) of the ^{M68}Tobacco Products Duty Act 1979 (offence and forfeiture in the case of a contravention of regulations for the management of the duty etc.), for the words from “he shall be liable” onwards there shall be substituted “his failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties), and any article in respect of which any person fails to comply with any such regulation, or which is found on premises in respect of which any person has failed to comply with any such regulation, shall be liable to forfeiture.”

Marginal Citations

M68 1979 c. 7.

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PART V

CONTRAVENTIONS UNDER THE BETTING AND GAMING DUTIES ACT 1981

- 60 The ^{M69}Betting and Gaming Duties Act 1981 shall be amended in accordance with the following provisions of this Part of this Schedule.

Marginal Citations

M69 1981 c. 63.

- 61 In section 24(5) (offence where gaming machine provided without there being a licence in force)—
- (a) for “any person who at the time when it is so provided” there shall be substituted “ the provision of the machine shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) and, for the purposes of the application of that section to the conduct attracting the penalty, the provision of the machine shall be treated as the conduct of each of the persons who, at the time when the gaming machine is provided ”; and
 - (b) the words after paragraph (f) shall be omitted.
- 62 (1) In paragraph 13 of Schedule 1 (enforcement), for sub-paragraphs (1) and (2) there shall be substituted—
- “(1) Where any person—
- (a) fails to pay any general betting duty or pool betting duty payable by him, or
 - (b) contravenes or fails to comply with any of the provisions of, or of any regulations made under, any of paragraphs 2, 4 and 6 to 10 above,
- his failure to pay, contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) which, in the case of a failure to pay, shall be calculated by reference to the amount of duty payable.
- (2) Any such failure to pay as is mentioned in sub-paragraph (1)(a) above shall also attract daily penalties.
- (2A) Any person who obstructs any officer in the exercise of his functions in relation to general betting duty or pool betting duty shall be guilty of an offence and liable on summary conviction to a penalty of level 4 on the standard scale.”
- (2) In paragraph 14(3) of that Schedule (offence of failing to produce permit within period reasonably required)—
- (a) the word “reasonably” shall be omitted; and
 - (b) for the words from “he shall be guilty” onwards there shall be substituted “ his failure shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”
- (3) In paragraph 15 of that Schedule (forfeiture and cancellation of licence on second or subsequent conviction),—

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- (a) in sub-paragraph (1), for “paragraph 13(1) or (3) above” there shall be substituted “paragraph 13(3) above” and the words from “(not being” to “9 above)” shall be omitted; and
- (b) in paragraph (a) of that sub-paragraph, for the words from “the conviction” to “other person)” there shall be substituted “there has been at least one previous occasion on which that or another person has been either—
 - (i) convicted of an offence under paragraph 13(3) above; or
 - (ii) assessed to a penalty to which he was liable under section 8 of the Finance Act 1994 (penalty for evasion),

in respect of conduct taking place ”.

F488 63

Textual Amendments

F488 Sch. 4 para. 63 repealed (19.3.1997 with effect as mentioned in Note 2 to Sch. 18 Pt. II of the repealing Act) by 1997 c. 16, s. 113, **Sch. 18 Pt. II**

- 64 (1) In sub-paragraph (3) of paragraph 16 of Schedule 3 (offence of contravening provision made by or under that Schedule)—
 - (a) for “Any person who” there shall be substituted “Where any person”; and
 - (b) for the words after paragraph (b) there shall be substituted—

“his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties).”
- (2) Sub-paragraph (4) of that paragraph (continuing offences) shall cease to have effect.
- 65 (1) In sub-paragraph (1) of paragraph 16 of Schedule 4 (offence of contravening provision made by or under that Schedule), for the words from “he shall be guilty” onwards there shall be substituted “his contravention, failure to comply or refusal shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties).”
- (2) Sub-paragraph (2) of that paragraph (continuing offences) shall cease to have effect.

PART VI

CONTRAVENTIONS RELATING TO LOTTERY DUTY

- 66 Chapter II of Part I of the ^{M70}Finance Act 1993 shall be amended in accordance with the following provisions of this Part of this Schedule.

Marginal Citations

M70 1993 c. 34.

- 67 In section 27(4) (offence of failing to pay duty)—
 - (a) for “A person who” there shall be substituted “Where a person”; and

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- (b) for the words from “is guilty” onwards there shall be substituted “ his failure so to make the payment shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties) which shall be calculated by reference to the amount which has not been paid and shall also attract daily penalties. ”
- 68 In each of sections 28(3) and 29(8) (offences of contravening regulations made for the purposes of lottery duty)—
- (a) for “A person who” there shall be substituted “ Where a person ”; and
- (b) for the words from “is guilty” onwards there shall be substituted “ his contravention or failure to comply shall attract a penalty under section 9 of the Finance Act 1994 (civil penalties). ”

SCHEDULE 5

[^{F489}Section 13A].

DECISIONS SUBJECT TO REVIEW AND APPEAL

Textual Amendments

F489 Sch. 5 shoulder reference substituted (1.8.2023) by Finance (No. 2) Act 2023 (c. 30), s. 120(2), **Sch. 13 para. 14(a)**; S.I. 2023/884, **reg. 2(1)(j)** (with reg. 10)

Modifications etc. (not altering text)

C77 Sch. 5 applied (1.6.1995) by S.I. 1995/1046, **reg. 7(3)**

C78 Sch. 5 modified (1.4.2018) by The Tobacco Products Manufacturing Machinery (Licensing Scheme) Regulations 2018 (S.I. 2018/75), regs. 1(2), **18(2)**

[^{F490}Taxation (Cross-border Trade) Act 2018]

Textual Amendments

F490 Sch. 5 para. 1 cross-heading substituted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by Taxation (Cross-border Trade) Act 2018 (c. 22), s. 57(1)(a), **Sch. 7 para. 145(2)** (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, **reg. 4(a)**

- ^{F490}1 The following decisions [^{F491}so far as they are made under any provision made by or under Part 1 of the Taxation (Cross-border Trade) Act 2018,] that is to say—
- (a) any decision in relation to any goods as to whether or not the entry, unloading or [^{F492}transit] of the goods, or their release by or to any person or for any purpose, is to be allowed or otherwise permitted;
- [^{F493}(aa) any decision as to whether or not consent to the amendment or withdrawal of any Customs or other declaration is to be given;]
- (b) any decision as to whether or not permission for the examination of, or the taking of samples from, any goods presented to the Commissioners is to be granted;
- (c) any decision as to the route to be used for the movement of any goods;
- (d) any other decision as to whether or not the requirements of any procedure for goods which are to be or have been presented to the Commissioners,

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- or any other formalities in relation to any such goods, have been satisfied or complied with or are to be waived, or as to the measures to be taken, including any requirements to be imposed, in consequence of the inability or other failure of any person to comply with the required procedure;
- [^{F494}(e) any decision, in any particular case, as to whether or not any licence, authorisation or approval is to be granted to any person (whether in respect of any premises, place or area or anything else);]
- (f) any decision, in any particular case, as to whether or not the carrying out of any processing or other operations or the use of any procedure is to be, or to continue to be, authorised or approved;
- (g) any decision in relation to—
- (i) the establishment or operation of any warehouse or other facility, or
 - (ii) the construction of any building,
- as to whether or not its establishment, operation or construction or the person by whom it is to be established, operated or constructed, is to be, or to continue to be, authorised or approved for any purpose;
- (h) any decision consisting in the imposition of a requirement to supply information or assistance, or to furnish any document or other evidence, to the Commissioners or any officer or of a requirement to be present or represented when anything is done in relation to any goods;
- (i) any decision to take or retain samples of any goods or as to the examination or analysis to which any goods or samples are to be subjected;
- [^{F495}(j) any decision, in any particular case, as to whether or not a fee is to be charged to any person under regulations made under section 27 of the Taxation (Cross-border Trade) Act 2018 or as to the amount of any such fee;]
- [^{F496}(k) any decision as to whether or not collection of interest on arrears of customs duty or agricultural levy is to be waived;]
- (l) any decision, in relation to a decision mentioned in any of the preceding sub-paragraphs, as to the conditions subject to which the decision so mentioned is made or, as the case may be, the matters to which that decision relates have effect;
- (m) any decision as to whether or not any person is to be required to give any [^{F497}security or other guarantee] for the fulfilment, in whole or in part, of—
- (i) any obligation to pay any customs duty or any agricultural levy of the [^{F50}European Union]; or
 - (ii) any obligation to comply with a condition of any permission, designation, approval, authorisation or requirement mentioned in any of the preceding sub-paragraphs or with any provision for the purposes of which any decision falling within any of those sub-paragraphs is made,
- or as to the form or amount of, or the conditions of, any such [^{F497}security or other guarantee];
- (n) any decision as to the time at which or the period within which any obligation to pay any ^{F498}... agricultural levy of the [^{F50}European Union]^{F499}...;
- [^{F500}(na) any decision as to the time at which or the period within which any obligation to pay any customs duty or to do any other thing required or

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authorised as a result of provision made by or under Part 1 of the Taxation (Cross-border Trade) Act 2018 is to be complied with;]

- (o) any decision as to whether or not a decision falling within this paragraph is to be [^{F501}varied, suspended or revoked], including a decision as to whether or not the time at which any such decision is to take effect is to be deferred [^{F502}, and a decision as to whether or not a licence, authorisation or approval is to be suspended or revoked or the terms of a licence, authorisation or approval are to be varied].

Textual Amendments

- F50** Words in Act substituted (22.4.2011) by [The Treaty of Lisbon \(Changes in Terminology\) Order 2011](#) (S.I. 2011/1043), arts. 2, 3, 4 (with art. 3(2)(3), 4(2), 6(4)(5))
- F491** Words in Sch. 5 para. 1 substituted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018](#) (c. 22), s. 57(1)(a), [Sch. 7 para. 145\(3\)\(a\)](#) (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)
- F492** Word in Sch. 5 para. 1(a) substituted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018](#) (c. 22), s. 57(1)(a), [Sch. 7 para. 145\(3\)\(b\)](#) (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)
- F493** Sch. 5 para. 1(aa) inserted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018](#) (c. 22), s. 57(1)(a), [Sch. 7 para. 145\(3\)\(c\)](#) (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)
- F494** Sch. 5 para. 1(e) substituted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018](#) (c. 22), s. 57(1)(a), [Sch. 7 para. 145\(3\)\(d\)](#) (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)
- F495** Sch. 5 para. 1(j) substituted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018](#) (c. 22), s. 57(1)(a), [Sch. 7 para. 145\(3\)\(e\)](#) (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)
- F496** Sch. 5 para. 1(k) substituted (27.7.1999 with effect as mentioned in s. 130(4) of the amending Act) by 1999 c. 16, s. 130(2)(4)
- F497** Words in Sch. 5 para. 1(m) substituted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018](#) (c. 22), s. 57(1)(a), [Sch. 7 para. 145\(3\)\(f\)](#) (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)
- F498** Words in Sch. 5 para. 1(n) omitted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by virtue of [Taxation \(Cross-border Trade\) Act 2018](#) (c. 22), s. 57(1)(a), [Sch. 7 para. 145\(3\)\(g\)\(i\)](#) (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)
- F499** Words in Sch. 5 para. 1(n) omitted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by virtue of [Taxation \(Cross-border Trade\) Act 2018](#) (c. 22), s. 57(1)(a), [Sch. 7 para. 145\(3\)\(g\)\(ii\)](#) (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)
- F500** Sch. 5 para. 1(na) inserted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018](#) (c. 22), s. 57(1)(a), [Sch. 7 para. 145\(3\)\(h\)](#) (with savings and transitional provisions in S.I. 2020/1449, reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); S.I. 2020/1642, reg. 4(a)

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- F501** Words in Sch. 5 para. 1(o) substituted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(1)(a), [Sch. 7 para. 145\(3\)\(i\)](#) (with savings and transitional provisions in [S.I. 2020/1449](#), reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); [S.I. 2020/1642](#), reg. 4(a)
- F502** Words in Sch. 5 para. 1(o) inserted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(1)(a), [Sch. 7 para. 145\(3\)\(i\)\(ii\)](#) (with savings and transitional provisions in [S.I. 2020/1449](#), reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); [S.I. 2020/1642](#), reg. 4(a)

The Management Act

- 2 (1) The following decisions under or for the purposes of the Management Act, that is to say—
- [F503](a) any decision made under any regulations under [F504]section 20, 20B, 22 or 25 (approved wharf, approved aerodrome, examination station or temporary storage facility)] —
 - (i) as to whether or not a mandatory condition is met; or
 - (ii) as to whether or not a discretionary condition is to be imposed, the terms of a discretionary condition or whether or not a discretionary condition is met;
 and any reference to a mandatory condition is to a condition within subsection (1A)(a) of section 20, 22 or 25 [F505], or subsection (2)(a) of section 20B,] and any reference to a discretionary condition is to a condition within [F506]subsection (1A)(b) of section 20, 22 or 25 or subsection (2)(b) of section 20B;]
 - [F507](aa) any decision as to whether or not approval of an aerodrome under section 20B is to be given or withdrawn, or as to the conditions or restrictions under section 20B(3) subject to which any such approval is given;]
 - (b) any decision as to whether or not any permission for any of the purposes of section 21 (control of movement of aircraft) is to be given or withdrawn or as to the conditions subject to which any such permission is given;
 - (c) any decision as to whether or not approval of a pipe-line for the purposes of section 24 (control of movement of goods by pipe-line) is to be given or withdrawn or as to the conditions subject to which any such approval is given;
 - (d) any decision as to whether or not expenses incurred by the Commissioners are to be borne by any person by virtue of section 29(3) (expenses of detention etc. of ships, aircraft and vehicles) or as to the amount of the expenses to be so borne;
 - (e) any decision consisting in the giving of a direction under section 30(1) (control of uncleared goods);
 - (f) any decision by virtue of subsection (2A) of section 31 (control of movement of goods) as to whether or not the requirements of any regulations under subsection (1) of that section are to be relaxed, as to whether or not substituted requirements are to be imposed or as to the terms of any such substituted requirements;
 - (g) any decision consisting in the imposition of a requirement by virtue of subsection (3) of section 33 (requirements as to record keeping) on a person in control of an aerodrome who is not licensed under any enactment relating to air navigation or as to what is or is not to be approved (whether or not

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- in relation to such a requirement) for the purposes of paragraph (a) of that subsection;
- [^{F508}(ga) any decision consisting in the imposition of a requirement by virtue of subsection (3A) of section 33 or as to what is or is not to be approved for the purposes of paragraph (a) of that subsection;]
- (h) any decision as to whether or not permission is to be given to any person for the purposes of section 39 (entry of surplus stores);
- (i) any decision for the purposes of section 40 that any goods are to be deposited in a Queen's warehouse;
- ^{F509}(j)
- ^{F509}(k)
- (l) any decision for the purposes of section 63 (entry outwards) as to whether or not entry outwards is to be made of any ship or goods or as to the conditions subject to which any such entry outwards is to be made;
- (m) any decision consisting in the imposition of a requirement under section 77, 79 or 80 to produce or furnish any document or other evidence or information;
- (n) any decision for the purposes of section 92 (approval of warehouses)—
- (i) as to whether or not any approval is to be given to any place as a warehouse or any consent is to be given to any alteration in or addition to any warehouse;
- (ii) as to the conditions subject to which any approval or consent is given for the purposes of that section; or
- (iii) for the withdrawal of any such approval or consent;
- (o) any decision as to whether or not any amount is payable to the Commissioners in pursuance of section 99 (provision as to deposit in Queen's warehouse) or as to the amount to be so paid by any person;
- (p) any decision for the purposes of section 100G (registered excise dealers and shippers) as to whether or not, and in which respects, any person is to be, or to continue to be, approved and registered or as to the conditions subject to which any person is approved and registered;
- (q) any decision as to the conditions subject to which any drawback is allowed or payable under section 132 or 134;
- (r) any decision under section 152(b) as to whether or not anything forfeited or seized under the customs and excise Acts is to be restored to any person or as to the conditions subject to which any such thing is so restored;
- (s) any decision under section 157 as to whether or not any person is to be required to give any security [^{F510}(or further security)] for the observance of any condition, as to the form or amount of, or the conditions of, any such security or as to the cancellation of any bond [^{F511}, guarantee or other security] ;
- (t) any decision consisting in the giving or imposition of a direction or requirement for the purposes of section 158 (power to require the provision of facilities) or any decision as to whether or not an approval is to be given for the purposes of any such direction.
- (2) Any decision which is made under or for the purposes of any regulations under any of sections 3, 31 or 93 of the Management Act (application to pipe-lines, control of movement of goods and warehousing regulations) and is-

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- (a) a decision in relation to any goods as to whether or not they may be moved, deposited, kept, secured, treated in any manner, removed or made available to any person or as to the conditions subject to which they are moved, deposited, kept, secured, treated in any manner, removed or made available to any person;
 - (b) a decision as to whether or not any person or place is to be, or to continue to be, authorised or approved in any respect for any purpose or as to the conditions subject to which any person or place is so authorised or approved; or
 - (c) a decision as to whether or not any person is to be required to give any security for the fulfilment of any obligation or as to the form or amount of, or the conditions of, any such security.
- (3) Any decision which is made under or for the purposes of any regulations under section 35(4), 42 or 66 of the Management Act (report inwards, procedure in relation to goods on arrival etc. or in relation to goods for exportation) and is—
- (a) a decision as to whether or not any permission is to be given for the purpose of dispensing with any of the requirements of any such regulations;
 - (b) a decision consisting in the imposition or variation of any requirement in exercise of any power conferred by any such regulations; or
 - (c) a decision as to whether or not any approval, authority or permission is to be given or granted for the purpose of determining the manner in which any requirement imposed by or under any such regulations is to be performed.
- [^{F512}(3A) Any decision which is made under or for the purposes of any regulations under section 60A of the Management Act (power to make regulations about stores) and is a decision about granting or withdrawing authorisation for goods to be shipped or carried as stores without payment of duty or on drawback.]
- (4) Any decision which is made under or for the purposes of any regulations under section 127A of the Management Act (deferment of duty) and is—
- (a) a decision as to whether or not any person or place is to be, or to continue to be, approved for any purpose connected with the deferment of duty or as to the conditions subject to which any person or place is so approved;
 - (b) a decision as to the amount of duty that may be deferred in any case; or
 - (c) a decision as to whether or not any person is to be required to give any security for the fulfilment of any obligation or as to the form or amount of, or the conditions of, any such security.

Textual Amendments

- F503** Sch. 5 para. 2(1)(a) substituted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(1)(a), [Sch. 7 para. 145\(4\)\(a\)](#) (with savings and transitional provisions in [S.I. 2020/1449](#), reg. 3 and 2020 c. 26, Sch. 2 para. 7(7)-(9)); [S.I. 2020/1642](#), reg. 4(a)
- F504** Words in Sch. 5 para. 2(1)(a) substituted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), s. 340(5)(a)(i)
- F505** Words in Sch. 5 para. 2(1)(a) inserted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), s. 340(5)(a)(ii)
- F506** Words in Sch. 5 para. 2(1)(a) substituted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), s. 340(5)(a)(iii)
- F507** Sch. 5 para. 2(1)(aa) inserted (11.7.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), s. 340(5)(b)
- F508** Sch. 5 para. 2(1)(ga) inserted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(1)(a), [Sch. 7 para. 145\(4\)\(b\)](#) (with

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savings and transitional provisions in [S.I. 2020/1449, reg. 3](#) and [2020 c. 26, Sch. 2 para. 7\(7\)-\(9\)](#); [S.I. 2020/1642, reg. 4\(a\)](#)

F509 [Sch. 5 para. 2\(1\)\(j\)\(k\)](#) omitted (13.9.2018 for specified purposes, 31.12.2020 in so far as not already in force) by virtue of [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\), s. 57\(1\)\(a\)](#), **Sch. 7 para. 145(4)(c)** (with savings and transitional provisions in [S.I. 2020/1449, reg. 3](#) and [2020 c. 26, Sch. 2 para. 7\(7\)-\(9\)](#); [S.I. 2020/1642, reg. 4\(a\)](#))

F510 Words in [Sch. 5 para. 2\(1\)\(s\)](#) inserted (21.7.2008 with effect in accordance with s. 126(2) of the amending Act) by [Finance Act 2008 \(c. 9\), s. 126\(1\)\(a\)](#)

F511 Words in [Sch. 5 para. 2\(1\)\(s\)](#) inserted (21.7.2008 with effect in accordance with s. 126(2) of the amending Act) by [Finance Act 2008 \(c. 9\), s. 126\(1\)\(b\)](#)

F512 [Sch. 5 para. 2\(3A\)](#) inserted (1.4.2015) by [Finance Act 2014 \(c. 26\), Sch. 21 paras. 9, 10](#); [S.I. 2015/812, art. 2](#)

^{F513} Part 2 of the Finance (No. 2) Act 2023 (alcohol duty)

Textual Amendments

F513 [Sch. 5 para. 3](#) and cross-heading substituted (1.8.2023) by [Finance \(No. 2\) Act 2023 \(c. 30\), s. 120\(2\)](#), **Sch. 11 para. 2**; [S.I. 2023/884, reg. 2\(1\)\(f\)](#) (with regs. 3(2)-(4), 10)

- 3 (1) The following decisions under or for the purposes of [Part 2](#) of the Finance (No. 2) Act 2023 (alcohol duty)—
- (a) any decision as to whether or not any duty is to be remitted or repaid under [section 73](#) (research and experiments) or [74](#) (spoilt alcoholic products) as to the conditions subject to which the duty is to be remitted or repaid;
 - (b) any decision—
 - (i) on a claim under [section 75](#) for repayment of duty (alcoholic ingredients relief), or
 - (ii) as to whether or not to remit duty under that section;
 - (c) any decision for the purposes of [section 76](#) (imported medical articles) or [section 78](#) (authorised use for certain purposes) as to whether or not to recognise any article as used for medical purposes;
 - (d) any decision for the purposes of [section 78](#) (authorised use for certain purposes)—
 - (i) as to the use to which any article is or is to be put, or as to the purposes for which it is or is to be used,
 - (ii) as to whether or not permission or authorisation for any person to receive, or for the delivery of, any spirits without payment of duty is to be granted or withdrawn, or
 - (iii) as to the conditions subject to which the permission or authorisation is granted;
 - (e) any decision for the purposes of [section 79](#) (imported goods not for human consumption) as to whether or not any goods are for human consumption;
 - (f) any decision for the purposes of [section 82](#) (approval requirement: producers) or [83](#) (supplementary provision about approvals)—
 - (i) as to whether or not, and in respect of which alcoholic products, premises or activities, an approval is given,
 - (ii) the period for which, or conditions subject to which, an approval is given,

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- (iii) as to the revocation or variation of an approval, or
 - (iv) as to whether a person is exempt from the approval requirement;
 - (g) any decision as to the application of an exemption under [section 86](#) (mixing alcoholic products);
 - (h) any decision as to whether or not a licence for the purposes of [section 91](#) (licence to manufacture and deal wholesale in denatured alcohol) is to be granted to a person, or as to the revocation or suspension of a licence for the purposes of that section;
 - (i) any decision for the purposes of any provision of [Chapter 7](#) (wholesaling of controlled alcoholic products) as to whether or not, and in which respects, a person is to be, or to continue to be, approved and registered or as to the conditions or restrictions subject to which a person is to be approved and registered;
 - (j) any decision for the purposes of [section 111](#) as to whether or not any drawback is to be set against an amount chargeable in respect of alcohol duty or as to the conditions subject to which drawback is set against that amount.
- (2) Any decision which—
- (a) is made under or for the purposes of any regulations under [section 88](#) (alcoholic products regulations) of the Finance (No. 2) Act 2023, and
 - (b) is a decision as to whether or not a person is to be required to give security for the fulfilment of an obligation or as to the form or amount of, or the conditions of, the security.
- (3) Any decision which is made under or for the purposes of any regulations under [section 90](#) (denatured alcohol) or [section 92](#) (regulations relating to denatured alcohol) of the Finance (No. 2) Act 2023 and is a decision—
- (a) as to whether or not any process is to be, or to continue to be, approved for any purposes;
 - (b) as to the conditions subject to which the approval is given;
 - (c) as to the revocation or variation of an approval;
 - (d) as to whether or not a person is to be required to give security for the fulfilment of an obligation or as to the form or amount of, or the conditions of, the security.
- (4) Any decision which—
- (a) is made under paragraph 1 of Schedule 3 to the Finance Act 2001, and
 - (b) relates to [Part 2](#) of the Finance (No. 2) Act 2023.]

The Hydrocarbon Oil Duties Act 1979

- 4 (1) The following decisions under or for the purposes of the ^{M71}Hydrocarbon Oil Duties Act 1979—
- (a) any decision under section 9 (delivery of oil for home use etc.) as to whether or not permission is to be given for the delivery of anything without payment of duty or as to the conditions subject to which any such permission is given;
 - (b) any decision as to whether or not a consent is to be given for the purposes of section 10(1) (consent to certain uses of oil delivered for home use) or as to the conditions subject to which any such consent is given;

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- (c) any decision as to whether or not a consent is to be given for the purposes of section 14(2) (consent to certain uses of rebated oil) or as to the conditions subject to which any such consent is given;
- (d) any decision consisting in a determination for the purposes of section 17(3) (determination of use of oil etc. for different purposes);
- (e) any decision as to the conditions subject to which any payment is to be made to any person in accordance with section 20(3) (payments in respect of contaminated or mixed substances).

[^{F514}(1A) Any decision which is made under or for the purposes of any regulations made under section 20AA of the ^{M72}Hydrocarbon Oil Duties Act 1979 and is a decision as to whether or not relief is to be allowed.]

(2) Any decision which is made under or for the purposes of any regulations made or having effect as if made under section 21 or 24 of the ^{M73}Hydrocarbon Oil Duties Act 1979 and is—

- (a) a decision as to whether or not any person is to be required to give any security for any duty which is or may become due, or as to the form or amount of, or the conditions of, any such security; or
- (b) a decision as to whether or not any person is to be, or to continue to be, approved for the purposes of section 9(1) or (4), 14(1) or 19A(1) of that Act or as to the conditions subject to which any person is so approved.

[^{F515}(3) Any decision which—

- (a) is made under paragraph 1 or 2 of Schedule 3 to the Finance Act 2001, and
- (b) relates to the Hydrocarbon Oil Duties Act 1979.]

Textual Amendments

F514 Sch. 5 para. 4(1A) inserted (28.7.2000) by 2000 c. 17, s. 10(5)

F515 Sch. 5 para. 4(3) inserted (1.11.2001) by 2001 c. 9, s. 15, Sch. 3 para. 17(3); S.I. 2001/3300, art. 2

Marginal Citations

M71 1979 c. 5.

M72 1979 c. 5.

M73 1979 c. 5.

The Tobacco Products Duty Act 1979

5 Any decision which is made under or for the purposes of any regulations made under section 2 or 7 of the ^{M74}Tobacco Products Duty Act 1979 and is—

- (a) a decision as to whether or not any duty is remitted or repaid or as to the conditions subject to which it is remitted or repaid; or
- (b) a decision as to whether or not any premises are to be, or to continue to be, registered for any purpose or as to the conditions subject to which any premises are so registered.

Marginal Citations

M74 1979 c. 7.

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- [^{F516}5A Any decision—
- (a) to refuse an approval under section 8L of the Tobacco Products Duty Act 1979 (raw tobacco: approval to carry on a controlled activity);
 - (b) to impose a condition or restriction on, or to revoke or vary the terms of, an approval under that section.]

Textual Amendments

F516 Sch. 5 para. 5A inserted (6.12.2016) by [Finance Act 2016 \(c. 24\)](#), s. 179(4)(5); S.I. 2016/1171, reg. 2(2)

The Betting and Gaming Duties Act 1981

- 6 (1) The following decisions under or for the purposes of the ^{M75}Betting and Gaming Duties Act 1981, that is to say—
- ^{F517}(a)
 - (b) any decision under paragraph 10(2) of Schedule 3 (registration of bingo promoters) as to the conditions subject to which any person is to be, or to continue to be, registered as a bingo-promoter.
- (2) Any decision which is made under or for the purposes of—
- ^{F518}(a)
 - (b) paragraph 10(2) of Schedule 3 to [^{F519}the Betting and Gaming Duties Act 1981],
- and is a decision as to whether or not any person is to be required to give any security for any duty which is or may become due, or as to the form or amount of, or the conditions of, any such security.

^{F520}[^{F521}(3)]

Textual Amendments

- F517** Sch. 5 para. 6(1)(a) omitted (1.12.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), s. 198(2)(c), [Sch. 28 para. 18\(2\)](#) (with [Sch. 29](#))
- F518** Sch. 5 para. 6(2)(a) omitted (1.12.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), s. 198(2)(c), [Sch. 28 para. 18\(3\)\(a\)](#) (with [Sch. 29](#))
- F519** Words in Sch. 5 para. 6(2)(b) substituted (1.12.2014) by [Finance Act 2014 \(c. 26\)](#), s. 198(2)(c), [Sch. 28 para. 18\(3\)\(b\)](#) (with [Sch. 29](#))
- F520** Sch. 5 para. 6(3) omitted (1.12.2014) by virtue of [Finance Act 2014 \(c. 26\)](#), s. 198(2)(c), [Sch. 28 para. 18\(4\)](#) (with [Sch. 29](#))
- F521** Sch. 5 para. 6(3) inserted (retrospective to 24.4.2002) by [Finance Act 2002 \(c. 23\)](#), s. 12(1)(6), [Sch. 4 para. 12\(3\)](#)

Marginal Citations

M75 1981 c. 63.

The Finance Act 1993

- 7 Any decision as to whether or not any person is to be or to continue to be registered under section 29 of the ^{M76}Finance Act 1993 (registration for the purposes of lottery duty) and any decision which is made under or for the purposes of any regulations

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under that section and is a decision as to whether or not any person is to be required to give any security for the payment of any lottery duty that may become due, or as to the form or amount of, or the conditions of, any such security.

Marginal Citations

M76 1993 c. 34.

Chapter III of Part I of this Act

- 8 (1) Any decision made under or for the purposes of any regulations under section 21 of this Act or for the purposes of subsection (2) of that section which is—
- (a) a decision consisting in the imposition or variation of any requirement as to the records which are to be kept by any person;
 - (b) a decision as to the manner in which any record or information is to be preserved or is to be made available to the Commissioners; or
 - (c) a decision as to the period for which any record or information is to be preserved.
- (2) Any decision for the purposes of section 23 of this Act which is—
- (a) a decision consisting in the imposition or variation of any requirement as to the information or documents which are to be furnished or produced by any person, including any decision as to the time or place at which, period within which or form in which anything is to be furnished or produced in pursuance of that section; or
 - (b) a decision as to the removal of any document produced under that section or as to the period for which such a document may be removed.

Chapter IV of Part I of this Act

- 9 The following decisions under or for the purposes of Chapter IV of Part I of this Act, that is to say—
- (a) any decision under regulations made by virtue of section 33 to register, or not to register, any person as an aircraft operator in the register kept under that section or to remove a person so registered from the register;
 - (b) any decision under such regulations to show, or not to show, the name of any person as a fiscal representative in that register or to remove a name from the register;
 - (c) any decision under section 36 to require a person to provide security, including any decision as to the form or amount of the security; ^{F522} . . .
 - (d) any decision to give a person a notice under section 37.
 - [^{F523}(e) any decision with respect to the amount of any interest specified in an assessment under paragraph 11A of Schedule 6;]

Textual Amendments

F522 Word in Sch. 5 immediately preceding para. 9(d) repealed (1.5.1995 with effect as mentioned in s. 16(4) of the repealing Act) by 1995 c. 4, ss. 16(2), 162, Sch. 29 Pt. IV, Note

F523 Sch. 5 para. 9(e) inserted (1.5.1995 with effect as mentioned in s. 16(4) of the amending Act) by 1995 c. 4, s. 16(2)

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Commencement Information

I21 Sch. 5 para. 9 wholly in force at 1.1.1995; Sch. 5 para. 9 not in force at Royal Assent see s. 19(1); Sch. 5 para. 9 in force for certain purposes at 1.11.1994 by [S.I. 1994/2679](#), [art. 2](#), [Sch.](#); Sch. 5 para. 9 in force at 1.1.1995 insofar as not already in force by [S.I. 1994/2679](#), [art. 3](#)

F524 ...

Textual Amendments

F524 [Sch. 5 para. 9ZA](#) and cross-heading omitted (1.8.2023) by virtue of [Finance \(No. 2\) Act 2023 \(c. 30\)](#), s. 120(2), [Sch. 13 para. 14\(b\)](#); [S.I. 2023/884](#), [reg. 2\(1\)\(j\)](#) (with [reg. 10](#))

F5249ZA

The Finance Act 2001

[^{F525}9A Any decision under or for the purposes of Part 2 of Schedule 3 to the Finance Act 2001 (interest).]

Textual Amendments

F525 Sch. 5 para. 9A inserted (1.11.2001) by [2001 c. 9](#), s. 15, [Sch. 3 paras. 17\(4\)](#); [S.I. 2001/3300](#), [art. 2](#)

[^{F526}*The Finance (No. 2) Act 2017*

Textual Amendments

F526 Sch. 5 para. 9B and cross-heading inserted (16.11.2017 for specified purposes, 1.4.2018 in so far as not already in force) by [Finance \(No. 2\) Act 2017 \(c. 32\)](#), [ss. 56\(3\), 59\(1\)](#); [S.I. 2018/298](#), [reg. 2\(2\)](#)

9B Any decision for the purposes of Part 3 of the Finance (No. 2) Act 2017 ([^{F527}imported goods] fulfilment businesses) as to—

- (a) whether or not, and in which respects, any person is to be, or to continue to be, approved and registered, or
- (b) the conditions or restrictions subject to which any person is approved and registered.]

Textual Amendments

F527 Words in Sch. 5 para. 9B substituted (31.12.2020) by [Taxation \(Cross-border Trade\) Act 2018 \(c. 22\)](#), s. 57(3), [Sch. 8 para. 106](#) (with savings and transitional provisions in [S.I. 2019/105](#) (as amended by [S.I. 2020/1495](#), [regs. 1\(2\), 21](#)), [S.I. 2020/1545](#), [Pt. 4](#) and [2020 c. 26](#), [Sch. 2 para. 7\(7\)–\(9\)](#)); [S.I. 2020/1642](#), [reg. 4\(b\)](#) (with [reg. 7](#))

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Interpretation of Schedule

- 10 (1) In this Schedule references to any decision as to the conditions subject to which any other decision (whether or not specified in this Schedule) is made include references to—
- (a) any decision as to whether the other decision should be made subject to or to the imposition of any conditions, limitations, restrictions, prohibitions or other requirements, either from the time when the other decision takes effect or in exercise of any power to impose them subsequently;
 - (b) any decision as to the terms of any conditions, limitations, restrictions, prohibitions or other requirements imposed or applied in relation to that other decision;
 - (c) any decision as to the period for which any licence, approval, permission or other authorisation to which the other decision relates is to have effect or as to any variation of that period; and
 - (d) any decision as to whether any conditions, limitations, restrictions, prohibitions or other requirements so imposed or applied are to be revoked, suspended or cancelled or as to whether or in what respect their terms are at any time to be varied;
- but those references do not include references to any decision as to the enforcement of any condition, restriction or prohibition in criminal proceedings, by the seizure or forfeiture of goods or, for purposes connected with any duty of excise, by any other means.
- (2) References in this Schedule to decisions as to the exercise of any power to require security for the fulfilment of any obligation, the observance of any conditions or the payment of any duty shall be without prejudice to any reference to decisions as to the exercise of any general power in the case in question to impose conditions in connection with the making of any other decision and shall include references to the exercise of any power to require further security for the fulfilment of that obligation, the observance of those conditions or, as the case may be, the payment of that duty.

Commencement Information

- I22** Sch. 5 para. 10 wholly in force at 1.1.1995; Sch. 5 para. 10 not in force at Royal Assent see s. 19(1); Sch. 5 para. 10 in force for certain purposes at 1.11.1994 by [S.I. 1994/2679](#), [art. 2](#), [Sch.](#); Sch. 5 para. 10 in force at 1.1.1995 insofar as not already in force by [S.I. 1994/2679](#), [art. 3](#)

[^{F528}SCHEDULE 5A

AIR PASSENGER DUTY: TERRITORIES ETC

Textual Amendments

- F528** Sch. 5A inserted (21.7.2009) (with effect in accordance with Sch. 5 para. 8(2) of the amending Act) by [Finance Act 2009 \(c. 10\)](#), [Sch. 5 para. 5](#)

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PART 1

PART 1 TERRITORIES

| | | | |
|---------------------------------------|---------------------------------------|------------------------------------|---|
| Albania | Finland | Latvia | Portugal (including Madeira) |
| Algeria | France (including Corsica) | Libya | Romania |
| Andorra | Germany | Liechtenstein | Russian Federation, west of the Urals |
| Austria | Gibraltar | Lithuania | San Marino |
| Azores | Greece | Luxembourg | Serbia |
| Belarus | Greenland | [^{F529} North] Macedonia | Slovak Republic |
| Belgium | Guernsey | Malta | Slovenia |
| Bosnia and Herzegovina | Hungary | Moldova | Spain (including the Balearic Islands and the Canary Islands) |
| Bulgaria | Iceland | Monaco | Sweden |
| Croatia | Republic of Ireland | Montenegro | Switzerland |
| Cyprus | Isle of Man | Morocco | Tunisia |
| [^{F530} Czechia] | Italy (including Sicily and Sardinia) | Netherlands | Turkey |
| Denmark (including the Faroe Islands) | Jersey | Norway (including Svalbard) | Ukraine |
| Estonia | Republic of Kosovo | Poland | Western Sahara] |

Textual Amendments

- F529** Word in [Sch. 5A Pt. 1](#) substituted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [s. 322\(8\)\(a\)\(ii\)\(10\)](#)
- F530** Word in [Sch. 5A Pt. 1](#) substituted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [s. 322\(8\)\(a\)\(i\)\(10\)](#)

[^{F531}PART 1A

PART 1A TERRITORIES

Textual Amendments

- F531** [Sch. 5A Pt. 1A](#) inserted (1.4.2023 in relation to the carriage of passengers beginning on or after that date) by [Finance \(No. 2\) Act 2023 \(c. 30\)](#), [s. 322\(8\)\(b\)\(10\)](#)

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| | | | |
|-----------------------------|--------------------|--|--|
| Afghanistan | Cuba | Kyrgyzstan | Senegal |
| Angola | Curacao | Lebanon | Seychelles |
| Anguilla | Djibouti | Liberia | Sierra Leone |
| Antigua and Barbuda | Dominica | Macau | Sint Eustatius |
| Armenia | Dominican Republic | Malawi | Sint Maarten |
| Aruba | Egypt | Maldives | Somalia |
| Azerbaijan | El Salvador | Mali | South Korea |
| Bahrain | Equatorial Guinea | Martinique | South Sudan |
| Bangladesh | Eritrea | Mauritania | Sri Lanka |
| Barbados | Ethiopia | Mayotte | St Helena, Ascension and Tristan da Cunha |
| Belize | French Guiana | Mongolia | St Kitts and Nevis |
| Benin | Gabon | Montserrat | Sudan |
| Bermuda | Georgia | Namibia | Suriname |
| Bhutan | Ghana | Nepal | Syria |
| Bonaire | Grenada | Nicaragua | Tajikistan |
| Botswana | Guadeloupe | Niger | Tanzania |
| Brazil | Guatemala | Nigeria | The Bahamas |
| British Virgin Islands | Guinea | North Korea | The Gambia |
| Burkina Faso | Guinea-Bissau | Oman | Togo |
| Burundi | Guyana | Pakistan | Trinidad and Tobago |
| Cameroon | Haiti | Panama | Turkmenistan |
| Canada | Honduras | Qatar | Turks and Caicos Islands |
| Cape Verde | India | Russian Federation, east of the Ural Mountains | Uganda |
| Cayman Islands | Iran | Rwanda | United Arab Emirates |
| Central African Republic | Iraq | Saba | United States (including Puerto Rico and U.S. Virgin Islands) |
| Chad | Israel | Saint Barthélemy | Uzbekistan |
| China | Ivory Coast | Saint Lucia | Venezuela |
| Colombia | Jamaica | Saint Martin | Yemen |
| Comoros | Jordan | Saint Pierre and Miquelon | Zambia |

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| | | | |
|-----------------------------|------------|----------------------------------|----------|
| Congo | Kazakhstan | Saint Vincent and the Grenadines | Zimbabwe |
| Congo (Democratic Republic) | Kenya | Sao Tome and Principe | |
| Costa Rica | Kuwait | Saudi Arabia] | |

F532PART 2

PART 2 TERRITORIES

Textual Amendments

F532 Sch. 5A Pt. 2 omitted (with effect in accordance with s. 79(12) of the amending Act) by virtue of Finance Act 2014 (c. 26), s. 79(10)

.....

F533PART 3

PART 3 TERRITORIES

Textual Amendments

F533 Sch. 5A Pt. 3 omitted (with effect in accordance with s. 79(12) of the amending Act) by virtue of Finance Act 2014 (c. 26), s. 79(10)

.....

SCHEDULE 6 Section 40.

AIR PASSENGER DUTY: ADMINISTRATION AND ENFORCEMENT

Application of excise enactments

- 1
- (1) The ^{M77}Customs and Excise Management Act 1979 shall have effect for the purposes of Chapter IV of Part I of this Act in relation to—

(a) any person who is or is liable to be registered,

(b) any fiscal representative, and

(c) any handling agent where a notice given to him under section 37 of this Act is effective,

as it has effect in relation to revenue traders, but with the modifications mentioned in sub-paragraph (2), and paragraphs 3 and 4, below.

(2) That Act shall have effect, in relation to any person to whom sub-paragraph (1) above applies, as if—

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- (a) the reference in section 112(1) (power of entry) to vehicles included aircraft,
- (b) section 116 (payment of duty) were omitted,
- (c) in section 117 (execution and distress)—
 - (i) the references to goods liable to any excise duty included tickets, and
 - (ii) the references to the trade in respect of which duty is imposed were to the trade or business by virtue of which sub-paragraph (1) above applies to him, and
- (d) any power under section 118B(1)(b) to require any person who is or is liable to be registered to produce or cause to be produced any such documents as are referred to in that subsection included power to require his fiscal representative to produce them.

Marginal Citations

M77 1979 c. 2.

- 2 Section 118B of that Act shall have effect for the purposes of Chapter IV of Part I of this Act in relation to any person who, in the course of a trade or business carried on by him, issues or arranges for the issue of tickets as if—
 - (a) he were a revenue trader, and
 - (b) the references to services supplied by or to him in the course or furtherance of a business were to services supplied by or to him in the course of issuing or arranging for the issue of tickets.
- 3 (1) A notice may require any person to whom paragraph 1 above applies to furnish, at specified times and in the specified form, any such information to the Commissioners as he could be required by the Commissioners to furnish under subsection (1) of section 118B; and any such requirement shall have effect as a requirement under that subsection.

(2) A notice may require any person to whom paragraph 1 or 2 above applies to produce or cause to be produced for inspection by an officer, at specified places and times, any such documents as he could be required by the officer to produce under that subsection; and any such requirement shall have effect as a requirement under that subsection.

(3) In this paragraph—
 - “notice” means a notice published, and not withdrawn, by the Commissioners, and
 - “specified” means specified in such a notice.
- 4 In relation to any person to whom paragraph 1 or 2 above applies—
 - (a) that Act shall have effect as if “document” had the same meaning as in Chapter IV of Part I of this Act, and
 - (b) that Act and this Schedule shall have effect as if any reference to the production of any document, in the case of information recorded otherwise than in legible form, were to producing a copy of the information in legible form.

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Information

- 5 (1) Any person having the management of an airport shall, if required to do so by the Commissioners—
- (a) give notice to the Commissioners, within such time and in such form as they may reasonably require, stating whether or not he holds or has at any time held any information relating to the matters mentioned in sub-paragraph (3) below and, if he does or has done, stating the general nature of the information, and
 - (b) furnish to the Commissioners, within such time and in such form as they may reasonably require, such information relating to such matters as they may reasonably specify.
- (2) Any such person shall, if required to do so by an officer, produce any documents relating to those matters, or cause them to be produced, for inspection by that officer.
- (3) The matters referred to in sub-paragraphs (1) and (2) above are—
- (a) whether or not any aircraft is a chargeable aircraft,
 - (b) who is the operator of any aircraft,
 - (c) whether or not any person is a handling agent of the operator of any aircraft, and
 - (d) whether or not any duty is payable on the carriage of any person and, if so, the amount of duty.
- (4) Documents produced under sub-paragraph (2) above shall be produced, at such time as the officer may reasonably require, at the principal place of business of the person required to produce them or cause them to be produced or at such other place as the officer may reasonably require.
- (5) An officer may take copies of, or make extracts from, any document produced under this paragraph.
- (6) If it appears to an officer to be necessary to do so, he may, at a reasonable time and for a reasonable period, remove any document produced under this paragraph.
- (7) Where an officer removes a document under sub-paragraph (6) above, then—
- (a) if the person from whom it is removed so requests, the officer shall give him a receipt for the document,
 - (b) if the document is reasonably required for the proper conduct of any business, the officer shall, as soon as practicable, provide a copy of the document, free of charge, to the person by whom it was produced or caused to be produced, and
 - (c) if the document is lost or damaged, the Commissioners shall be liable to compensate the owner for any expenses reasonably incurred by him in replacing or repairing it.
- (8) Any reference in this paragraph to the production of a document, in the case of information recorded otherwise than in legible form, is to producing a copy of the information in legible form.
- (9) Any failure by a person having the management of an airport to comply with a requirement imposed under this paragraph shall attract a penalty under section 9 of this Act.

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Application of Chapter II

- 6 An appeal which relates to duty shall not be entertained under section 16 of this Act at any time if any return [^{F534}for an accounting period to which the appeal relates] which the appellant is required by regulations made by virtue of section 38 of this Act to make has not at that time been made.

Textual Amendments

F534 Words in Sch. 6 para. 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. 209\(2\)](#)

Interest payable to Commissioners

- 7 (1) Where an assessment of duty due from any person (“the person assessed”) is made under section 12 of this Act and any of the conditions in sub-paragraph (2) below is fulfilled, the whole of the amount assessed shall, subject to paragraph 8 below, carry interest at [^{F535}the rate applicable under section 197 of the Finance Act 1996] from the reckonable date until payment.
- (2) The conditions are—
- (a) that the assessment relates to an accounting period in respect of which either a return has previously been made or an earlier assessment has already been notified to the person assessed, or
 - (b) that the assessment relates to an accounting period which exceeds one month and begins on the date on which the person assessed was, or became liable to be, registered.
- (3) In a case where—
- (a) the circumstances are such that an assessment of duty due from any person could have been made and, if it had been made, the conditions in sub-paragraph (2) above would have been fulfilled, but
 - (b) before such an assessment was made the duty was paid (so that no such assessment was necessary),
- the whole of the amount paid shall carry interest at [^{F535}the rate applicable under section 197 of the Finance Act 1996] from the reckonable date until the date on which it was paid.
- (4) In this paragraph and paragraph 8 below the “reckonable date” means the latest date on which a return is required to be made under Chapter IV of Part I of this Act for the accounting period to which the amount assessed or paid relates; and interest under this paragraph shall run from the reckonable date even if that date is a non-business day, within the meaning of section 92 of the ^{M78}Bills of Exchange Act 1882.
- (5) Interest under this paragraph shall be paid without any deduction of income tax.

Textual Amendments

F535 Words in Sch. 6 para. 7(1)(3) substituted (29.4.1996 with effect as mentioned in [s. 197\(7\)](#) of the amending Act) by [1996 c. 8, s. 197\(6\)\(a\)](#); [S.I. 1997/1015](#), [art. 2](#)

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Modifications etc. (not altering text)

C79 Sch. 6 para. 7: power to amend conferred (29.4.1996 with effect as mentioned in [s. 197\(7\)](#) of the amending Act) by [1996 c. 8, s. 197\(1\)\(2\)](#); [S.I. 1997/1015](#), [art. 2](#)

Marginal Citations

M78 [1882 c. 61](#).

- 8 (1) Where on an appeal by any person (“the appellant”) to a tribunal under section 16 of this Act against an assessment of duty—
- (a) it is found that the whole or any part of the duty was due from him, and
 - (b) the amount due, or any part of that amount, has not been paid and no cash security has been given for it,
- that amount or, as the case may be, that part of it shall carry interest [^{F536}at the rate applicable under section 197 of the Finance Act 1996] from the reckonable date until payment.
- (2) In sub-paragraph (1) above, “cash security” means such adequate security as enables the Commissioners to place the amount in question on deposit.
- (3) Interest under this paragraph shall be paid without any deduction of income tax.

Textual Amendments

F536 Words in Sch. 6 para. 8(1) 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. 209\(3\)](#) (with [Sch. 3 para. 9\(2\)\(c\)](#))

Interest payable by the Commissioners

F537⁹

Textual Amendments

F537 Sch. 6 para. 9 repealed (1.11.2001) by [2001 c. 9, ss. 15, 110](#), [Sch. 3 para. 20](#), [Sch. 33 Pt. I\(4\)](#), [Note](#); [S.I. 2001/3300](#), [art. 2](#) (with [art. 3](#))

F538¹⁰

Textual Amendments

F538 Sch. 5 para. 10 repealed (1.11.2001) by [2001 c. 9, ss. 15, 110](#), [Sch. 3 para. 20](#), [Sch. 33 Pt. I\(4\)](#), [Note](#); [S.I. 2001/3300](#), [art. 2](#) (with [art. 3](#))

Interest: specified rate

F539¹¹

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Textual Amendments

F539 Sch. 6 para. 11 repealed (29.4.1996 with effect as mentioned in s. 197(7) of the repealing Act) by 1996 c. 8, s. 205, **Sch. 41 Pt. VIII(1)**, Note; S.I. 1997/1015, **art. 2**

[^{F540} Assessment of interest]

Textual Amendments

F540 Sch. 6: Cross-heading and para. 11A inserted (1.5.1995 with application as mentioned in s. 16(4) of the amending Act) by 1995 c. 4, s. 16(1)

- ^{F541}11A) Where by virtue of paragraph 7 above duty due from any person for an accounting period carries interest, the Commissioners may assess that person to an amount of interest in accordance with this paragraph.
- (2) Notice of the assessment shall be given to the person liable for the interest or a representative of his.
 - (3) The amount of the interest shall be calculated by reference to a period ending on a date (“the due date”) no later than the date of the notice.
 - (4) The notice shall specify—
 - (a) the amount of the duty which carries the interest assessed (“the specified duty”);
 - (b) the amount of the interest assessed (“the specified interest”);
 - (c) the due date; and
 - (d) a date by which that amount is required to be paid (“the payment date”).
 - (5) Sub-paragraphs (6) and (7) below apply where the specified duty or any part of it is unpaid on the date of the notice.
 - (6) If the unpaid amount or any part of it is paid by the payment date, the payment shall be treated for the purposes of paragraph 7 above as made on the due date.
 - (7) To the extent that the unpaid amount is not paid by the payment date, an assessment may be made under this paragraph in respect of any interest on the unpaid amount which accrues after the due date.
 - (8) For the purposes of sub-paragraphs (6) and (7) above, a payment—
 - (a) which purports to be a payment of the unpaid amount or any part of it, but
 - (b) which is insufficient to discharge both the liability to pay the unpaid amount and the liability to pay the specified interest,shall be treated as made in discharge (or partial discharge) of the liability to pay the specified interest before it is treated as discharging to any extent the liability to pay the unpaid amount.
 - (9) A notice of interest assessed under this paragraph may be combined in one document with notification of an assessment under section 12 of this Act which relates to the specified duty.

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- (10) A notice which is so combined must comply with the requirements of this paragraph which relate to a notice which is not so combined.
- (11) The specified interest shall be recoverable as if it were duty due from the person assessed to that interest.
- (12) For the purposes of this paragraph a person is a representative of another if—
 - (a) he is that other's personal representative;
 - (b) he is that other's trustee in bankruptcy or is a receiver or liquidator appointed in relation to that other or in relation to any of his property; or
 - (c) he is a person acting in some other representative capacity in relation to that other.]

Textual Amendments

F541 Sch. 6: Cross-heading and para. 11A inserted (1.5.1995 with application as mentioned in [s. 16\(4\)](#) of the amending Act) by [1995 c. 4, s. 16\(1\)](#) (with Sch. 8 paras. 55(2) 57(1))

Evidence by certificate

- 12 (1) A certificate of the Commissioners—
- (a) that a person was or was not, on any date specified in the certificate, registered or liable to be registered under section 33 of this Act,
 - (b) that the name of any person was or was not, on any date so specified, shown as the fiscal representative of any person in the register kept under that section,
 - (c) that any aircraft was or was not, on any date so specified, a chargeable aircraft,
 - (d) that any return required to be made under regulations made by virtue of section 38 of this Act had not, on any date so specified, been made, or
 - (e) that any duty shown as due in such a return, or in an assessment under section 12 of this Act, had not, on any date so specified, been paid,
- shall be sufficient evidence of that fact until the contrary is proved.
- (2) A photograph of any document furnished to the Commissioners for the purposes of Chapter IV of Part I of this Act and certified by them to be such a photograph shall be admissible in any proceedings, whether civil or criminal, to the same extent as the document itself.
- (3) Any document purporting to be a certificate under sub-paragraph (1) or (2) above shall be taken to be such a certificate until the contrary is proved.

Preferential debt

13 ^{F542}(1)

^{F542}(2)

- (3) [^{F543}In Schedule 4 to the ^{M79}Insolvency (Northern Ireland) Order 1989 (categories of preferential debts) in Category 2 (debts due to Customs and Excise) after paragraph 5B there shall be inserted—

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“5C Any amount which is due by way of air passenger duty from the debtor at the relevant date and which became due within the period of six months next before that date.”]

Textual Amendments

F542 Sch. 6 para. 13(1)(2) repealed (15.9.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 26; S.I. 2003/2093, art. 2(1), Sch. 2 (with art. 4)

F543 Sch. 6 para. 13(3) repealed (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455), art. 1(3), Sch. 9; S.R. 2006/21, art. 2 (subject to S.R. 2006/22, arts. 2-7)

Marginal Citations

M79 S.I. 1989/2405 (N.I. 19)

[^{F544}SCHEDULE 6A

Section 51A.

PREMIUMS LIABLE TO TAX AT THE HIGHER RATE

Textual Amendments

F544 Sch. 6A inserted (19.3.1997 with effect as mentioned in s. 24 of the amending Act) by 1997 c. 16, s. 22(3), Sch. 4

PART I

INTERPRETATION

- 1
- (1) In this Schedule—

“insurance-related service” means any service which is related to, or connected with, insurance;

“supply” includes all forms of supply; and “supplier” shall be construed accordingly.

(2) For the purposes of this Schedule, any question whether a person is connected with another shall be determined in accordance with [^{F545}section 1122 of the Corporation Tax Act 2010] .

Textual Amendments

F545 Words in Sch. 6A para. 1(2) substituted (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 1 para. 284 (with Sch. 2)

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PART II

DESCRIPTIONS OF PREMIUM

Insurance relating to motor cars or motor cycles

- 2 (1) [^{F546}Subject to paragraph 5, a premium] under a taxable insurance contract relating to a motor car or motor cycle falls within this paragraph if—
- (a) the contract is arranged through a person falling within sub-paragraph (2) below, or
 - (b) the insurer under the contract is a person falling within that sub-paragraph, unless the insurance is provided to the insured free of charge.
- (2) A person falls within this sub-paragraph if—
- (a) he is a supplier of motor cars or motor cycles;
 - (b) he is connected with a supplier of motor cars or motor cycles; or
 - (c) he pays—
 - (i) the whole or any part of the premium received under the taxable insurance contract, or
 - (ii) a fee connected with the arranging of that contract,
 to a supplier of motor cars or motor cycles or to a person who is connected with a supplier of motor cars or motor cycles.
- [A premium does not fall within this paragraph if it is—
- ^{F547}(2A) (a) payable under a taxable insurance contract relating to a motor car or motor cycle which is supplied by way of sale, and
- (b) attributable to cover of the kind generally known as—
 - (i) fully comprehensive,
 - (ii) third party, fire and theft, or
 - (iii) third party.]
- (3) Where a taxable insurance contract relating to a motor car or motor cycle is arranged through a person who is connected with a supplier of motor cars or motor cycles, the premium does not fall within this paragraph by virtue only of sub-paragraph (2)(b) above except to the extent that the premium is attributable to cover for a risk which relates to a motor car or motor cycle supplied by a supplier of motor cars or motor cycles with whom that person is connected.
- (4) Where the insurer under a taxable insurance contract relating to a motor car or motor cycle is connected with a supplier of motor cars or motor cycles, the premium does not fall within this paragraph by virtue only of sub-paragraph (2)(b) above except to the extent that the premium is attributable to cover for a risk which relates to a motor car or motor cycle supplied by a supplier of motor cars or motor cycles with whom the insurer is connected.
- (5) For the purposes of this paragraph, the cases where insurance is provided to the insured free of charge are those cases where no charge (whether by way of premium or otherwise) is made—
- (a) in respect of the taxable insurance contract, or
 - (b) at or about the time when the taxable insurance contract is made and in connection with that contract, in respect of any insurance-related service,

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by any person falling within sub-paragraph (2) above to any person who is or becomes the insured (or one of the insured) under the contract or to any person who acts, otherwise than in the course of a business, for or on behalf of such a person.

(6) In this paragraph—

“motor car” and “motor cycle” have the meaning given—

- (a) by section 185(1) of the ^{M80}Road Traffic Act 1988; or
- (b) in Northern Ireland, by Article 3(1) of the ^{M81}Road Traffic (Northern Ireland) Order 1995;

[^{F548}“sale”, in relation to a motor car or motor cycle, means—

- (a) a sale under which title to the motor car or motor cycle passes to the purchaser immediately on purchase, or
- (b) a sale pursuant to a hire purchase agreement (within the meaning of the Consumer Credit Act 1974) under which it is intended at the outset of the agreement that the title to the motor car or motor cycle is to pass to the purchaser, whether on conclusion of the agreement or at the end of a period specified in the agreement.]

“supplier” does not include an insurer who supplies a car or motor cycle as a means of discharging liabilities arising by reason of a claim under an insurance contract.

Textual Amendments

F546 Words in [Sch. 6A para. 2\(1\)](#) substituted (1.4.2011) (with effect in accordance with art. 1(2) of the amending S.I.) by [The Insurance Premium Tax \(Discounted Insurance Premiums: Higher Rate\) Order 2011 \(S.I. 2011/661\)](#), arts. 1(1), [3](#)

F547 [Sch. 6A para. 2\(2A\)](#) inserted (1.4.2009) (with effect in accordance with art. 1(2) of the amending S.I.) by [The Insurance Premium Tax \(Amendment of Schedule 6A to the Finance Act 1994\) Order 2009 \(S.I. 2009/219\)](#), arts. 1(1), [2\(2\)](#)

F548 Words in [Sch. 6A para. 2\(6\)](#) inserted (1.4.2009) (with effect in accordance with art. 1(2) of the amending S.I.) by [The Insurance Premium Tax \(Amendment of Schedule 6A to the Finance Act 1994\) Order 2009 \(S.I. 2009/219\)](#), arts. 1(1), [2\(3\)](#)

Marginal Citations

M80 1988 c. 52.

M81 [S.I. 1995/2994 \(N.I. 18\)](#).

Insurance relating to domestic appliances etc.

- 3 (1) [^{F549}Subject to paragraph 5, a premium] under a taxable insurance contract relating to relevant goods falls within this paragraph if—
- (a) the contract is arranged through a person falling within sub-paragraph (2) below, or
 - (b) the insurer under the contract is a person falling within that sub-paragraph, unless the insurance is provided to the insured free of charge.
- (2) A person falls within this sub-paragraph if—
- (a) he is a supplier of relevant goods;
 - (b) he is connected with a supplier of relevant goods; or

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- (c) he pays—
 - (i) the whole or any part of the premium received under the taxable insurance contract, or
 - (ii) a fee connected with the arranging of that contract,
 to a supplier of relevant goods or to a person who is connected with a supplier of relevant goods.
- (3) Where a taxable insurance contract relating to relevant goods is arranged through a person who is connected with a supplier of relevant goods, the premium does not fall within this paragraph by virtue only of sub-paragraph (2)(b) above except to the extent that the premium is attributable to cover for a risk which relates to relevant goods supplied by a supplier of relevant goods with whom that person is connected.
- (4) Where the insurer under a taxable insurance contract relating to relevant goods is connected with a supplier of relevant goods, the premium does not fall within this paragraph by virtue only of sub-paragraph (2)(b) above except to the extent that the premium is attributable to cover for a risk which relates to relevant goods supplied by a supplier of relevant goods with whom the insurer is connected.
- (5) For the purposes of this paragraph, the cases where insurance is provided to the insured free of charge are those cases where no charge (whether by way of premium or otherwise) is made—
 - (a) in respect of the taxable insurance contract, or
 - (b) at or about the time when the taxable insurance contract is made and in connection with that contract, in respect of any insurance-related service,
 by any person falling within sub-paragraph (2) above to any person who is or becomes the insured (or one of the insured) under the contract or to any person who acts, otherwise than in the course of a business, for or on behalf of such a person.
- (6) In this paragraph—
 - “relevant goods” means any electrical or mechanical appliance of a kind—
 - (a) which is ordinarily used in or about the home; or
 - (b) which is ordinarily owned by private individuals and used by them for the purposes of leisure, amusement or entertainment;
 - “supplier” does not include an insurer who supplies relevant goods as a means of discharging liabilities arising by reason of a claim under an insurance contract.
- (7) In sub-paragraph (6) above—
 - “appliance” includes any device, equipment or apparatus;
 - “the home” includes any private garden and any private garage or private workshop appurtenant to a dwelling.

Textual Amendments

F549 Words in [Sch. 6A para. 3\(1\)](#) substituted (1.4.2011) (with effect in accordance with art. 1(2) of the amending S.I.) by [The Insurance Premium Tax \(Discounted Insurance Premiums: Higher Rate\) Order 2011 \(S.I. 2011/661\)](#), arts. 1(1), [3](#)

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^{F550}Insurance provided by divided company

Textual Amendments

F550 Sch. 6A para. 3A and cross-heading inserted (10.7.2003) by [Finance Act 2003 \(c. 14\)](#), [s. 194\(1\)](#) (with [s. 194\(2\)](#))

- 3A (1) A premium under a taxable insurance contract relating to a motor car or motor cycle also falls within paragraph 2 above if—
- (a) the insurance to be provided under the contract is provided by a divided company, and
 - (b) any division of that company would, if it were a separate company, be a person connected with a supplier of motor cars or motor cycles.
- (2) A premium under a taxable insurance contract relating to relevant goods also falls within paragraph 3 above if—
- (a) the insurance to be provided under the contract is provided by a divided company, and
 - (b) any division of that company would, if it were a separate company, be a person connected with a supplier of relevant goods.
- (3) Sub-paragraph (1) or (2) above does not apply if the insurance is provided to the insured free of charge.
- (4) A premium falls within paragraph 2 above by virtue of this paragraph only to the extent that it is attributable to cover for a risk which relates to a motor car or motor cycle supplied by a supplier of motor cars or motor cycles with whom the division in question would, if it were a separate company, be connected.
- (5) A premium falls within paragraph 3 above by virtue of this paragraph only to the extent that it is attributable to cover for a risk which relates to relevant goods supplied by a supplier of relevant goods with whom the division would, if it were a separate company, be connected.
- (6) For the purposes of this paragraph—
- (a) a company is a “divided company” if under the law under which the company is formed, under the company’s constitution or under arrangements entered into by or in relation to the company—
 - (i) some or all of the assets of the company are available primarily, or only, to meet particular liabilities of the company, and
 - (ii) some or all of the members of the company, and some or all of its creditors, have rights primarily, or only, in relation to particular assets of the company;
 - (b) a “division” of such a company means an identifiable part of it (by whatever name known) that carries on distinct business activities and to which particular assets and liabilities of the company are primarily or wholly attributable.
- (7) In this paragraph “provided to the insured free of charge” has the meaning given by sub-paragraph (5) of paragraph 2 or 3 above.

In determining for this purpose whether a divided company by whom insurance is provided is a person falling within sub-paragraph (2) of paragraph 2 or 3 above, the

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company shall be treated as connected with any person with whom a division of that company would be connected if it were a separate company.

- (8) Other expressions defined for the purposes of paragraph 2 or 3 above have the same meaning in this paragraph.]

^{F551} Travel insurance

Textual Amendments

F551 Sch. 6A para. 4 and the preceding cross-heading substituted (31.7.1998 with effect as mentioned in s. 146(3)(4) of the amending Act) by 1998 c. 36, s. 146(2) (with Sch. 18 para. 6(3))

- ^{F552}4 (1) A premium under a taxable insurance contract falls within this paragraph if it is in respect of the provision of cover against travel risks for a person travelling.
- (2) Where—
- (a) a contract of insurance provides cover against both travel risks and risks other than travel risks,
 - (b) the premium attributable to the cover against travel risks does not exceed 10 per cent. of the total premium payable under the contract, and
 - (c) the contract does not provide cover for a person travelling against travel risks falling within two or more of the paragraphs of sub-paragraph (3) below,
- the premium, so far as attributable to the cover against travel risks, does not fall within this paragraph by virtue of sub-paragraph (1) above.
- (3) The travel risks mentioned in sub-paragraph (2)(c) above are—
- (a) liability in respect of cancellation of travel or of accommodation arranged in connection with travel;
 - (b) delayed or missed departure;
 - (c) curtailment of travel or of the use of accommodation arranged in connection with travel;
 - (d) loss or delayed arrival of baggage;
 - (e) personal injury or illness or expenses of repatriation.
- (4) A premium does not fall within this paragraph by virtue of sub-paragraph (1) above if it is payable under a taxable insurance contract relating to a motor vehicle and is attributable to cover of the kind generally known as—
- (a) fully comprehensive,
 - (b) third party, fire and theft,
 - (c) third party, or
 - (d) roadside assistance,
- or if it is payable under a taxable insurance contract relating to a caravan, boat or aircraft and is attributable to cover of a description broadly corresponding to any of those set out in paragraphs (a) to (d) above (so far as applicable) provided in respect of the caravan, boat or aircraft for a period of at least one month for the person travelling.
- (5) In this paragraph—
- “person travelling” includes a person intending to travel;

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“travel risks” means risks associated with, or related to, travel or intended travel—

- (a) outside the United Kingdom,
- (b) by air within the United Kingdom,
- (c) within the United Kingdom in connection with travel falling within paragraph (a) or (b) above, or
- (d) which involves absence from home for at least one night,

or risks to which a person travelling may be exposed during, or at any place at which he may be in the course of, any such travel.]]

Textual Amendments

F552 Sch. 6A para. 4 substituted (31.7.1998 with effect as mentioned in [s. 146\(3\)](#) of the amending Act) by 1998 c. 36, [s. 146\(2\)](#) (with [Sch. 18, para. 6\(3\)](#))

*^{F553}Insurance relating to motor cars, motor cycles,
domestic appliances, etc provided at a discount*

Textual Amendments

F553 [Sch. 6A para. 5](#) inserted (1.4.2011) (with effect in accordance with art. 1(2) of the amending S.I.) by [The Insurance Premium Tax \(Discounted Insurance Premiums: Higher Rate\) Order 2011 \(S.I. 2011/661\)](#), arts. 1(1), [4](#)

5. (1) This paragraph applies where (apart from this paragraph) a premium would fall within paragraph 2 or 3 but the insurance is provided to the insured at less than its full cost.
- (2) For the purposes of this paragraph the cases where the insurance is provided to the insured at less than its full cost are those cases where the amount charged in respect of the taxable insurance contract by any person falling within sub-paragraph (2) of paragraph 2 or 3 to any person who is or becomes the insured under the contract is less than the premium.
- (3) Only so much of the premium as does not exceed the amount charged falls within paragraph 2 or 3.]

SCHEDULE 7

Section 64.

INSURANCE PREMIUM TAX

Modifications etc. (not altering text)

C80 Sch. 7 extended (19.3.1997) by [1997 c. 16, s. 50, Sch. 5 Pt. I paras. 1, 4\(2\)](#)

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PART I

INFORMATION

Records

- 1 (1) Regulations may require registrable persons to keep records.
- (2) Regulations under sub-paragraph (1) above may be framed by reference to such records as may be specified in any notice published by the Commissioners in pursuance of the regulations and not withdrawn by a further notice.
- (3) Regulations may ^{F554}—
- (a) require any records kept in pursuance of the regulations to be preserved for such period not exceeding six years as may be specified in the regulations.
 - ^{F555}(b) authorise the Commissioners to direct that any such records need only be preserved for a shorter period than that specified in the regulations, and
 - (c) authorise a direction to be made so as to apply generally or in such cases as the Commissioners may stipulate.]
- ^{F556}(4) A duty under the regulations to preserve records may be discharged—
- (a) by preserving them in any form and by any means, or
 - (b) by preserving the information contained in them in any form and by any means,
- subject to any conditions or exceptions specified in writing by the Commissioners.]

Textual Amendments

F554

Words in Sch. 7 para. 1(3) renumbered as Sch. 7 para. 1(3)(a) (1.4.2010) by Finance Act 2009 (c. 10), s. 98(2), Sch. 50 para. 1(2)(a); S.I. 2010/815, art. 2

F555

Sch. 7 para. 1(3)(b)(c) inserted (1.4.2010) by Finance Act 2009 (c. 10), s. 98(2), Sch. 50 para. 1(2)(b); S.I. 2010/815, art. 2

F556

Sch. 7 para. 1(4) substituted for Sch. 7 para. 1(4)-(6) (1.4.2010) by Finance Act 2009 (c. 10), s. 98(2), Sch. 50 para. 1(3); S.I. 2010/815, art. 2

Other provisions

^{F557}2

Textual Amendments

F557

Sch. 7 para. 2 omitted (1.4.2010) by virtue of The Finance Act 2009, Section 96 and Schedule 48 (Appointed Day, Savings and Consequential Amendments) Order 2009 (S.I. 2009/3054), art. 1, Sch. para. 6(a)

^{F558}3

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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
F558 Sch. 7 para. 3 omitted (1.4.2010) by virtue of The Finance Act 2009, Section 96 and Schedule 48 (Appointed Day, Savings and Consequential Amendments) Order 2009 (S.I. 2009/3054), art. 1, **Sch. para. 6(a)**

PART II

POWERS

Entry, arrest, etc.

- 4 **F559**(1)
F560(2)
F560(3)
F560(4)
F560(5)
F561(6)
F561(7)

Textual Amendments
F559 Sch. 7 para. 4(1) omitted (1.4.2010) by virtue of The Finance Act 2009, Section 96 and Schedule 48 (Appointed Day, Savings and Consequential Amendments) Order 2009 (S.I. 2009/3054), art. 1, **Sch. para. 6(a)**
F560 Sch. 7 para. 4(2)-(5) repealed (8.11.2007) by Finance Act 2007 (c. 11), s. 84(4)(5)(5), Sch. 22 para. 9(a), **Sch. 27 Pt. 5(1)**; S.I. 2007/3166, art. 2(c)
F561 Sch. 7 para. 4(6) (7) repealed (8.11.2007) by Finance Act 2007 (c. 11), s. 84(4)(5)(5), Sch. 22 para. 9(b), **Sch. 27 Pt. 5(1)**; S.I. 2007/3166, art. 2(c)

Modifications etc. (not altering text)
C81 Sch. 7 para. 4(3): power of seizure extended (*prosp.*) by 2001 c. 16, ss. 50-55, 68, 138(2), **Sch. 1 Pt. 1 para. 57**
C82 Sch. 7 para. 4(3) powers of seizure extended (1.4.2003) by Criminal Justice and Police Act 2001 (c. 16), ss. 50, 138(2), **Sch. 1 para. 57** (with ss. 52-54, 68); S.I. 2003/708, art. 2(a)

[^{F562} Order for access to recorded information etc.]

Textual Amendments
F562 Sch. 7 para. 4A and the preceding cross-heading inserted (1.5.1995) by 1995 c. 4, s. 34, **Sch. 5 para. 8(1)**

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- ^{F563}4A (1) Where, on an application by an authorised person, a justice of the peace or, in Scotland, a justice (within the meaning of section 462 of the ^{M82}Criminal Procedure (Scotland) Act 1975) is satisfied that there are reasonable grounds for believing—
- (a) that an offence in connection with tax is being, has been or is about to be committed, and
 - (b) that any recorded information (including any document of any nature whatsoever) which may be required as evidence for the purpose of any proceedings in respect of such an offence is in the possession of any person,
- he may make an order under this paragraph.
- (2) An order under this paragraph is an order that the person who appears to the justice to be in possession of the recorded information to which the application relates shall—
- (a) give an authorised person access to it, and
 - (b) permit an authorised person to remove and take away any of it which he reasonably considers necessary,
- not later than the end of the period of 7 days beginning on the date of the order or the end of such longer period as the order may specify.
- (3) The reference in sub-paragraph (2)(a) above to giving an authorised person access to the recorded information to which the application relates includes a reference to permitting the authorised person to take copies of it or to make extracts from it.
- (4) Where the recorded information consists of information [^{F564}stored in any electronic form] , an order under this paragraph shall have effect as an order to produce the information in a form in which it is visible and legible [^{F565}or from which it can readily be produced in a visible and legible form] and, if the authorised person wishes to remove it, in a form in which it can be removed.
- (5) This paragraph is without prejudice to paragraphs 3 and 4 above.

Textual Amendments

F563 Sch. 7 para. 4A and the preceding cross-heading inserted (1.5.1995) by 1995 c. 4, s. 34, **Sch. 5 para. 8(1)**

F564 Words in Sch. 7 para. 4A(4) substituted (1.4.2003) by [Criminal Justice and Police Act 2001 \(c. 16\)](#), para. 13(2)(g)s. 138(2), **Sch. 2 para. 13(1)(a)**; [S.I. 2003/708](#), art. 2(k)

F565 Words in Sch. 7 para. 4A(4) inserted (1.4.2003) by [Criminal Justice and Police Act 2001 \(c. 16\)](#), para. 13(2)(g)s. 138(2), **Sch. 2 para. 13(1)(b)**; [S.I. 2003/708](#), art. 2(k)

Marginal Citations

M82 1975 c. 21.

Removal of documents etc.

- 5 (1) An authorised person who removes anything in the exercise of a power conferred by or under paragraph 4 [^{F566}or 4A] above shall, if so requested by a person showing himself—
- (a) to be the occupier of premises from which it was removed, or
 - (b) to have had custody or control of it immediately before the removal,
- provide that person with a record of what he removed.

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- (2) The authorised person shall provide the record within a reasonable time from the making of the request for it.
- (3) Subject to sub-paragraph (7) below, if a request for permission to be allowed access to anything which—
- (a) has been removed by an authorised person, and
 - (b) is retained by the Commissioners for the purposes of investigating an offence,
- is made to the officer in overall charge of the investigation by a person who had custody or control of the thing immediately before it was so removed or by someone acting on behalf of such a person, the officer shall allow the person who made the request access to it under the supervision of an authorised person.
- (4) Subject to sub-paragraph (7) below, if a request for a photograph or copy of any such thing is made to the officer in overall charge of the investigation by a person who had custody or control of the thing immediately before it was so removed, or by someone acting on behalf of such a person, the officer shall—
- (a) allow the person who made the request access to it under the supervision of an authorised person for the purpose of photographing it or copying it, or
 - (b) photograph or copy it, or cause it to be photographed or copied.
- (5) Subject to sub-paragraph (7) below, where anything is photographed or copied under sub-paragraph (4)(b) above the officer shall supply the photograph or copy, or cause it to be supplied, to the person who made the request.
- (6) The photograph or copy shall be supplied within a reasonable time from the making of the request.
- (7) There is no duty under this paragraph to allow access to, or to supply a photograph or copy of, anything if the officer in overall charge of the investigation for the purposes of which it was removed has reasonable grounds for believing that to do so would prejudice—
- (a) that investigation,
 - (b) the investigation of an offence other than the offence for the purposes of the investigation of which the thing was removed, or
 - (c) any criminal proceedings which may be brought as a result of the investigation of which he is in charge or any such investigation as is mentioned in paragraph (b) above.
- (8) Any reference in this paragraph to the officer in overall charge of the investigation is a reference to the person whose name and address are endorsed on the warrant concerned as being the officer so in charge.

Textual Amendments

F566 Words in Sch. 7 para. 5(1) inserted (1.5.1995) by 1995 c. 4, s. 34, **Sch. 5 para. 8(2)**

- 6 (1) Where, on an application made as mentioned in sub-paragraph (2) below, the appropriate judicial authority is satisfied that a person has failed to comply with a requirement imposed by paragraph 5 above, the authority may order that person to comply with the requirement within such time and in such manner as may be specified in the order.

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- (2) An application under sub-paragraph (1) above shall be made—
 - (a) in the case of a failure to comply with any of the requirements imposed by sub-paragraphs (1) and (2) of paragraph 5 above, by the occupier of the premises from which the thing in question was removed or by the person who had custody or control of it immediately before it was so removed, and
 - (b) in any other case, by the person who had such custody or control.
- (3) In this paragraph “the appropriate judicial authority” means—
 - (a) in England and Wales, a magistrates’ court;
 - (b) in Scotland, the sheriff;
 - (c) in Northern Ireland, a court of summary jurisdiction, as defined in Article 2(2)(a) of the ^{M83}Magistrates’ Court (Northern Ireland) Order 1981.
- (4) In England and Wales and Northern Ireland, an application for an order under this paragraph shall be made by way of complaint; and sections 21 and 42(2) of the ^{M84}Interpretation Act (Northern Ireland) 1954 shall apply as if any reference in those provisions to any enactment included a reference to this paragraph.

Marginal Citations

M83 S.I. 1981/1675 (N.I.26).

M84 1954 c. 33 (N.I.).

PART III

RECOVERY

Recovery of tax etc.

- 7 (1) Tax due from any person shall be recoverable as a debt due to the Crown.
- ^{F567}(2)
- ^{F568}(3)
- ^{F568}(4)
- ^{F568}(5)
- (6) [^{F569}In the ^{M85}Insolvency (Northern Ireland) Order 1989, in Article 346(1) (preferential debts) the words “ insurance premium tax ” shall be inserted after “VAT” and in Schedule 4 (categories of preferential debts) the following paragraph shall be inserted after paragraph 3—
 - “3A Any insurance premium tax which is referable to the period of 6 months next before the relevant date (which period is referred to below as “the 6-month period”).For the purposes of this paragraph—
 - (a) where the whole of the accounting period to which any insurance premium tax is attributable falls within the 6-month

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period, the whole amount of that tax is referable to that period;
 and
 (b) in any other case the amount of any insurance premium tax which is referable to the 6-month period is the proportion of the tax which is equal to such proportion (if any) of the accounting period in question as falls within the 6-month period;
 and references here to accounting periods shall be construed in accordance with Part III of the Finance Act 1994.”]

F570(7)
 F570(8)
 F570(9)
 F570(10)
 F570(11)
 F570(12)

Textual Amendments

- F567** Sch. 7 para. 7(2) repealed (15.9.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 26**; S.I. 2003/2093, art. 2(1), Sch. 2 (with art. 4)
F568 Sch. 7 para. 7(3)-(5) repealed (30.11.2016) by The Bankruptcy (Scotland) Act 2016 (Consequential Provisions and Modifications) Order 2016 (S.I. 2016/1034), art. 1, **Sch. 2 Pt. 1**
F569 Sch. 7 para. 7(6) repealed (N.I.) (27.3.2006) by The Insolvency (Northern Ireland) Order 2005 (S.I. 2005/1455), art. 1(3), **Sch. 9**; S.R. 2006/21, art. 2 (subject to S.R. 2006/22, arts. 2-7)
F570 Sch. 7 para. 7(7)-(12) repealed (1.7.1997) by 1997 c. 16, s. 113, **Sch. 18 Pt. V(2)**; S.I. 1997/1433, **art. 2**

Marginal Citations

M85 S.I. 1989/2405 (N.I. 19).

Recovery of overpaid tax

- 8 (1) Where a person has paid an amount to the Commissioners by way of tax which was not tax due to them, they shall be liable to repay the amount to him.
- (2) The Commissioners shall only be liable to repay an amount under this paragraph on a claim being made for the purpose.
- (3) It shall be a defence, in relation to a claim under this paragraph, that repayment of an amount would unjustly enrich the claimant.
- [^{F571}(4) The Commissioners shall not be liable, on a claim made under this paragraph, to repay any amount paid to them more than [^{F572}4 years] before the making of the claim.]
- (6) A claim under this paragraph shall be made in such form and manner and shall be supported by such documentary evidence as may be prescribed by regulations.

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- (7) Except as provided by this paragraph, the Commissioners shall not be liable to repay an amount paid to them by way of tax by virtue of the fact that it was not tax due to them.

Textual Amendments

- F571** Sch. 7 para. 8(4) substituted for para. 8(4)(5) (19.3.1997) by 1997 c. 16, s. 50(1), **Sch. 5 Pt. II para. 5(2)**
F572 Words in **Sch. 7 para. 8(4)** substituted (1.4.2010) by Finance Act 2009 (c. 10), s. 99(2), **Sch. 51 para. 2**; S.I. 2010/867, art. 2(1) (with art. 3)

Modifications etc. (not altering text)

- C83** Sch. 7 para. 8(3): power to modify conferred (19.3.1997) by 1997 c. 16, s. 50(1), **Sch. 5 Pt. I paras. 1(1)(b), 3**
C84 Sch. 7 para. 8(3) amended (19.3.1997) by 1997 c. 16, **Sch. 5 Pt. I**

PART IV

PENALTIES

Criminal offences

- 9 (1) A person is guilty of an offence if—
- (a) being a registrable person, he is knowingly concerned in, or in the taking of steps with a view to, the fraudulent evasion of tax by him or another registrable person, or
 - (b) not being a registrable person, he is knowingly concerned in, or in the taking of steps with a view to, the fraudulent evasion of tax by a registrable person.
- (2) Any reference in sub-paragraph (1) above to the evasion of tax includes a reference to the obtaining of a payment under regulations under section 55(3)(c) or (d) or (f) of this Act.
- (3) A person is guilty of an offence if with the requisite intent—
- (a) he produces, furnishes or sends, or causes to be produced, furnished or sent, for the purposes of this Part of this Act any document which is false in a material particular, or
 - (b) he otherwise makes use for those purposes of such a document;
- and the requisite intent is intent to deceive or to secure that a machine will respond to the document as if it were a true document.
- (4) A person is guilty of an offence if in furnishing any information for the purposes of this Part of this Act he makes a statement which he knows to be false in a material particular or recklessly makes a statement which is false in a material particular.
- (5) A person is guilty of an offence by virtue of this sub-paragraph if his conduct during any specified period must have involved the commission by him of one or more offences under the preceding provisions of this paragraph; and the preceding provisions of this sub-paragraph apply whether or not the particulars of that offence or those offences are known.
- (6) A person is guilty of an offence if—

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- (a) he enters into a taxable insurance contract, or
- (b) he makes arrangements for other persons to enter into a taxable insurance contract,

with reason to believe that tax in respect of the contract will be evaded.

- (7) A person is guilty of an offence if he enters into taxable insurance contracts without giving security (or further security) he has been required to give under paragraph 24 below.

Criminal penalties

- 10 (1) A person guilty of an offence under paragraph 9(1) above shall be liable—
- (a) on summary conviction, to a penalty of [^{F573}£20,000] or of three times the amount of the tax, whichever is the greater, or to imprisonment for a term not exceeding six months or to both;
 - (b) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding seven years or to both.
- (2) The reference in sub-paragraph (1) above to the amount of the tax shall be construed, in relation to tax itself or a payment falling within paragraph 9(2) above, as a reference to the aggregate of—
- (a) the amount (if any) falsely claimed by way of credit, and
 - (b) the amount (if any) by which the gross amount of tax was falsely understated.
- (3) A person guilty of an offence under paragraph 9(3) or (4) above shall be liable—
- (a) on summary conviction, to a penalty of [^{F574}£20,000] or, where sub-paragraph (4) below applies, to the alternative penalty there specified if it is greater, or to imprisonment for a term not exceeding six months or to both;
 - (b) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding seven years or to both.
- (4) In a case where—
- (a) the document referred to in paragraph 9(3) above is a return required under this Part of this Act, or
 - (b) the information referred to in paragraph 9(4) above is contained in or otherwise relevant to such a return,
- the alternative penalty is a penalty equal to three times the aggregate of the amount (if any) falsely claimed by way of credit and the amount (if any) by which the gross amount of tax was understated.
- (5) A person guilty of an offence under paragraph 9(5) above shall be liable—
- (a) on summary conviction, to a penalty of [^{F575}£20,000] or (if greater) three times the amount of any tax that was or was intended to be evaded by his conduct, or to imprisonment for a term not exceeding six months or to both;
 - (b) on conviction on indictment, to a penalty of any amount or to imprisonment for a term not exceeding seven years or to both;
- and paragraph 9(2) and sub-paragraph (2) above shall apply for the purposes of this sub-paragraph as they apply respectively for the purposes of paragraph 9(1) and sub-paragraph (1) above.

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- (6) A person guilty of an offence under paragraph 9(6) above shall be liable on summary conviction to a penalty of [^{F576}£20,000] or three times the amount of the tax, whichever is the greater.
- (7) A person guilty of an offence under paragraph 9(7) above shall be liable on summary conviction to a penalty of [^{F577}£20,000].
- (8) In this paragraph—
- (a) “credit” means credit for which provision is made by regulations under section 55 of this Act;
 - (b) “the gross amount of tax” means the total amount of tax due before taking into account any deduction for which provision is made by regulations under section 55(3) of this Act.

Textual Amendments

- F573** Sum in Sch. 7 para. 10(1)(a) substituted (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 2 para. 7\(3\)\(a\)](#) (with reg. 5(1))
- F574** Sum in Sch. 7 para. 10(3)(a) substituted (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 2 para. 7\(3\)\(b\)](#) (with reg. 5(1))
- F575** Sum in Sch. 7 para. 10(5)(a) substituted (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 2 para. 7\(3\)\(c\)](#) (with reg. 5(1))
- F576** Sum in Sch. 7 para. 10(6) substituted (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 2 para. 7\(3\)\(d\)](#) (with reg. 5(1))
- F577** Sum in Sch. 7 para. 10(7) substituted (12.3.2015) by [The Legal Aid, Sentencing and Punishment of Offenders Act 2012 \(Fines on Summary Conviction\) Regulations 2015 \(S.I. 2015/664\)](#), reg. 1(1), [Sch. 2 para. 7\(3\)\(e\)](#) (with reg. 5(1))

Criminal proceedings etc.

- 11 Sections 145 to 155 of the ^{M86}Customs and Excise Management Act 1979 (proceedings for offences, mitigation of penalties and certain other matters) shall apply in relation to offences under paragraph 9 above and penalties imposed under paragraph 10 above as they apply in relation to offences and penalties under the customs and excise Acts as defined in that Act.

Marginal Citations

M86 1979 c. 2.

Civil penalties

^{F578}12

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Textual Amendments

F578 Sch. 7 para. 12 omitted (1.4.2009) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 122(2), [Sch. 40 para. 21\(d\)\(ii\)](#); [S.I. 2009/571](#), art. 2 (with art. 6)

Modifications etc. (not altering text)

C85 Sch. 7 para. 12: savings for effects of 2008 c. 40, Sch. 40 para. 21 (5.3.2009) by [The Finance Act 2008, Schedule 41 \(Appointed Day and Transitional Provisions\) Order 2009 \(S.I. 2009/511\)](#), [art. 4\(b\)\(ii\)](#)

F579 13

Textual Amendments

F579 Sch. 7 para. 13 omitted (1.4.2009) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 122(2), [Sch. 40 para. 21\(d\)\(ii\)](#); [S.I. 2009/571](#), art. 2 (with art. 6)

Modifications etc. (not altering text)

C86 Sch. 7 para. 13: savings for effects of 2008 c. 40, Sch. 40 para. 21 (5.3.2009) by [The Finance Act 2008, Schedule 41 \(Appointed Day and Transitional Provisions\) Order 2009 \(S.I. 2009/511\)](#), [art. 4\(b\)\(ii\)](#)

F580 14

Textual Amendments

F580 Sch. 7 para. 14 omitted (1.4.2010) (with effect in accordance with art. 3 of the commencing S.I.) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 123(2), [Sch. 41 para. 25\(e\)\(iii\)](#); [S.I. 2009/511](#), art. 2 (with art. 4)

- 15 (1) This paragraph applies if a person fails to comply with—
- (a) a requirement imposed by regulations made under section 54 of this Act to pay the tax due in respect of any period within the time required by the regulations, or
 - (b) a requirement imposed by regulations made under that section to furnish a return in respect of any period within the time required by the regulations;
- and sub-paragraphs (2) and (3) below shall have effect subject to sub-paragraphs (5) and (6) below and paragraph 25(7) below.
- (2) The person shall be liable to a penalty equal to 5 per cent. of the tax due or, if it is greater, to a penalty of £250.
- (3) The person—
- (a) shall be liable, in addition to an initial penalty under sub-paragraph (2) above, to a penalty of £20 for every relevant day when he fails to pay the tax or furnish the return, but
 - (b) shall not in respect of the continuation of the failure be liable to further penalties under sub-paragraph (2) above;
- and a relevant day is any day falling after the time within which the tax is required to be paid or the return is required to be furnished.
- (4) For the purposes of sub-paragraph (2) above the tax due—

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- (a) shall, if the person concerned has furnished a return, be taken to be the tax shown in the return as that for which he is accountable in respect of the period in question, and
 - (b) shall, in any other case, be taken to be such tax as has been assessed for that period and notified to him under section 56(1) of this Act.
- (5) A failure falling within sub-paragraph (1) or (3) above shall not give rise to liability to a penalty under this paragraph if the person concerned satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the failure.
- (6) Where, by reason of a failure falling within sub-paragraph (1) or (3) above—
- (a) a person is convicted of an offence (whether under this Part of this Act or otherwise), or
 - (b) a person is assessed to a penalty under paragraph 12 above [^{F581}or to a penalty for a deliberate inaccuracy under Schedule 24 to the Finance Act 2007 (penalties for errors)] ,
- that failure shall not also give rise to liability to a penalty under this paragraph.
- (7) If it appears to the Treasury that there has been a change in the value of money since the passing of this Act or, as the case may be, the last occasion when the power conferred by this sub-paragraph was exercised, they may by order substitute for the sums for the time being specified in sub-paragraphs (2) and (3) above such other sums as appear to them to be justified by the change.
- (8) An order under sub-paragraph (7) above shall not apply in relation to a failure which began before the date on which the order comes into force.

Textual Amendments

F581 Words in Sch. 7 para. 15(6)(b) inserted (1.4.2009) by [The Finance Act 2008, Schedule 40 \(Appointed Day, Transitional Provisions and Consequential Amendments\) Order 2009 \(S.I. 2009/571\)](#), art. 1(1), [Sch. 1 para. 11\(3\)](#)

- 16 (1) This paragraph applies where—
- (a) by virtue of regulations made under section 65 of this Act a liability notice (within the meaning of that section) is served on an insured person,
 - (b) by virtue of such regulations that person is liable to pay an amount of tax which has been assessed in accordance with the regulations, and
 - (c) that tax is not paid within the time required by the regulations;
- and sub-paragraphs (2) and (3) below shall have effect subject to sub-paragraphs (4) and (5) below and paragraph 25(7) below.
- (2) The person shall be liable to a penalty equal to 5 per cent. of the tax assessed as mentioned in sub-paragraph (1) above or, if it is greater, to a penalty of £250.
- (3) The person—
- (a) shall be liable, in addition to an initial penalty under sub-paragraph (2) above, to a penalty of £20 for every relevant day when the tax is unpaid, but
 - (b) shall not in respect of the continuation of the non-payment of the tax be liable to further penalties under sub-paragraph (2) above;
- and a relevant day is any day falling after the time within which the tax is required to be paid.

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- (4) A person shall not be liable to a penalty by virtue of this paragraph if he satisfies the Commissioners or, on appeal, an appeal tribunal that he took all reasonable steps to ensure that the tax mentioned in sub-paragraph (1)(b) above was paid within the time required by the regulations.
 - (5) Where, by reason of a failure to pay tax, a person is convicted of an offence (whether under this Part of this Act or otherwise), that failure shall not also give rise to liability to a penalty under this paragraph.
 - (6) If it appears to the Treasury that there has been a change in the value of money since the passing of this Act or, as the case may be, the last occasion when the power conferred by this sub-paragraph was exercised, they may by order substitute for the sums for the time being specified in sub-paragraphs (2) and (3) above such other sums as appear to them to be justified by the change.
 - (7) An order under sub-paragraph (6) above shall not apply in relation to any failure to pay tax that was required to be paid before the date on which the order comes into force.
- 17 (1) If a person fails to comply with—
- (a) section 53(3) of this Act,
 - (b) ^{F582}...or
 - (c) a requirement imposed by any regulations made under this Part of this Act, other than a requirement falling within sub-paragraph (2) below,
- he shall be liable to a penalty of £250; but this is subject to sub-paragraphs (3) and (4) below.
- (2) A requirement falls within this sub-paragraph if it is—
- (a) a requirement imposed by regulations made under section 54 of this Act to pay the tax due in respect of any period within the time required by the regulations,
 - (b) a requirement imposed by regulations made under that section to furnish a return in respect of any period within the time required by the regulations,
 - (c) a requirement imposed by regulations made under section 65 of this Act to pay tax within the time required by the regulations, or
 - (d) a requirement specified for the purposes of this sub-paragraph by regulations.
- (3) A failure falling within sub-paragraph (1) above shall not give rise to liability to a penalty under this paragraph if the person concerned satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the failure.
- (4) Where by reason of a failure falling within sub-paragraph (1) above—
- (a) a person is convicted of an offence (whether under this Part of this Act or otherwise), or
 - (b) a person is assessed to a penalty under paragraph 12 above [^{F583}or to a penalty for a deliberate inaccuracy under Schedule 24 to the Finance Act 2007 (penalties for errors)] ,
- that failure shall not also give rise to liability to a penalty under this paragraph.
- (5) If it appears to the Treasury that there has been a change in the value of money since the passing of this Act or, as the case may be, the last occasion when the power conferred by this sub-paragraph was exercised, they may by order substitute for

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the sum for the time being specified in sub-paragraph (1) above such other sum as appears to them to be justified by the change.

- (6) An order under sub-paragraph (5) above shall not apply in relation to a failure which began before the date on which the order comes into force.

Textual Amendments

F582 Sch. 7 para. 17(1)(b) omitted (1.4.2010) by virtue of [The Finance Act 2009, Section 96 and Schedule 48 \(Appointed Day, Savings and Consequential Amendments\) Order 2009 \(S.I. 2009/3054\)](#), art. 1, [Sch. para. 6\(b\)](#) (with art. 6)

F583 Words in Sch. 7 para. 17(4)(b) inserted (1.4.2009) by [The Finance Act 2008, Schedule 40 \(Appointed Day, Transitional Provisions and Consequential Amendments\) Order 2009 \(S.I. 2009/571\)](#), art. 1(1), [Sch. 1 para. 11\(4\)](#)

- 18 (1) A person who—
- (a) by virtue of subsection (3), (7) or (9) of section 57 of this Act becomes subject to a duty to take action as mentioned in subsection (4) of that section, and
 - (b) fails to take action as so mentioned,
- shall be liable to a penalty of £10,000; but this is subject to sub-paragraph (2) below.
- (2) A failure falling within sub-paragraph (1) above shall not give rise to liability to a penalty under this paragraph if the person concerned satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the failure.
- (3) If it appears to the Treasury that there has been a change in the value of money since the passing of this Act or, as the case may be, the last occasion when the power conferred by this sub-paragraph was exercised, they may by order substitute for the sum for the time being specified in sub-paragraph (1) above such other sum as appears to them to be justified by the change.
- (4) An order under sub-paragraph (3) above shall not apply in relation to a case where the duty mentioned in sub-paragraph (1) above was imposed before the date on which the order comes into force.

F584 **F585** 18A]

Textual Amendments

F584 Sch. 7 para. 18A omitted (6.4.2014) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 129(4), [Sch. 43 para. 3\(3\)](#); [S.I. 2014/906](#), art. 2

F585 Sch. 7 para. 18A inserted (E.W.) (6.4.2014) by [Tribunals, Courts and Enforcement Act 2007 \(c. 15\)](#), s. 148, [Sch. 13 para. 116\(2\)](#) (with s. 89); [S.I. 2014/768](#), art. 2(1)(b)

- 19 (1) This paragraph applies where—
- (a) in accordance with regulations under ^{**F586**}section 51 of the Finance Act 1997 (enforcement by distress)] a distress is authorised to be levied on the goods and chattels of a person (a person in default) who has refused or neglected to pay any tax due from him or any amount recoverable as if it were tax due from him, and
 - (b) the person levying the distress and the person in default have entered into a walking possession agreement.

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- (2) For the purposes of this paragraph a walking possession agreement is an agreement under which, in consideration of the property distrained upon being allowed to remain in the custody of the person in default and of the delaying of its sale, the person in default—
- (a) acknowledges that the property specified in the agreement is under distraint and held in walking possession, and
 - (b) undertakes that, except with the consent of the Commissioners and subject to such conditions as they may impose, he will not remove or allow the removal of any of the specified property from the premises named in the agreement.
- (3) Subject to sub-paragraph (4) below, if the person in default is in breach of the undertaking contained in a walking possession agreement, he shall be liable to a penalty equal to half of the tax or other amount referred to in sub-paragraph (1)(a) above.
- (4) The person in default shall not be liable to a penalty under sub-paragraph (3) above if he satisfies the Commissioners or, on appeal, an appeal tribunal that there is a reasonable excuse for the breach in question.

[^{F587}(5) This paragraph extends only to Northern Ireland.]

Textual Amendments

- F586** Words in Sch. 7 para. 19(1)(a) substituted (1.7.1997) by 1997 c. 16, s. 53(5)(9); S.I. 1997/1432, art. 2
- F587** Sch. 7 para. 19(5) substituted (6.4.2014) by Tribunals, Courts and Enforcement Act 2007 (c. 15), s. 148, Sch. 13 para. 116(3) (with s. 89); S.I. 2014/768, art. 2(1)(b)

- 20 For the purposes of paragraphs ^{F588}... 15(5), 17(3)^{F589}... and 19(4) above—
- (a) an insufficiency of funds available for paying any amount is not a reasonable excuse, and
 - (b) where reliance is placed on any other person to perform any task, neither the fact of that reliance nor any conduct of the person relied upon is a reasonable excuse.

Textual Amendments

- F588** Word in Sch. 7 para. 20 omitted (1.4.2010) by virtue of The Finance Act 2008 (Penalties for Errors and Failure to Notify etc) (Consequential Amendments) Order 2010 (S.I. 2010/530), art. 1, Sch. para. 4
- F589** Word in Sch. 7 para. 20 omitted (21.7.2008) by virtue of Finance Act 2008 (c. 9), s. 142(1)(d)

PART V

INTEREST

Interest on tax etc.

- 21 (1) Where an assessment is made under any provision of section 56 of this Act, the whole of the amount assessed shall carry interest at [^{F590}the rate applicable under section 197 of the Finance Act 1996] from the reckonable date until payment; but this is subject to sub-paragraph (2) and paragraph 25(7) below.

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(2) Sub-paragraph (1) above shall not apply in relation to an assessment under section 56(1) of this Act unless at least one of the following conditions is fulfilled, namely—

- (a) that the assessment relates to an accounting period in respect of which either a return has previously been made, or an earlier assessment has already been notified to the person concerned;
- (b) that the assessment relates to an accounting period which exceeds three months and begins on the date with effect from which the person was, or was required to be, registered under this Part of this Act.

(3) In a case where—

- (a) the circumstances are such that a relevant assessment could have been made, but
- (b) before such an assessment was made the tax due or other amount concerned was paid (so that no such assessment was necessary),

the whole of the amount paid shall carry interest at [^{F590}the rate applicable under section 197 of the Finance Act 1996] from the reckonable date until the date on which it was paid; and for the purposes of this sub-paragraph a relevant assessment is an assessment in relation to which sub-paragraph (1) above would have applied if the assessment had been made.

(4) The references in sub-paragraphs (1) and (3) above to the reckonable date shall be construed as follows—

- (a) where the amount assessed or paid is such an amount as is referred to in subsection (2) of section 56 of this Act, the reckonable date is the seventh day after the day on which a written instruction was issued by the Commissioners directing the making of the payment of the amount which ought not to have been paid to the person concerned;
- (b) in all other cases the reckonable date is the latest date on which (in accordance with regulations under this Part of this Act) a return is required to be made for the accounting period to which the amount assessed or paid relates;

and interest under this paragraph shall run from the reckonable date even if that date is a non-business day, within the meaning of section 92 of the ^{M87}Bills of Exchange Act 1882.

^{F591}(5)

(6) Interest under this paragraph shall be paid without any deduction of income tax.

Textual Amendments

F590 Words in Sch. 7 para. 21(1)(3) substituted (29.4.1996 with effect as mentioned in s. 197(7) of the amending Act) by 1996 c. 8, s. 197(6)(7); S.I. 1997/1015, art. 2

F591 Sch. 7 para. 21(5) repealed (29.4.1996 with effect as mentioned in s. 197(7) of the repealing Act) by 1996 c. 8, s. ss. 197, 205, Sch. 41 Pt. VIII(1), Note; S.I. 1997/1015, art. 2

Modifications etc. (not altering text)

C87 Sch. 7 para. 21: power to amend conferred (29.4.1996) by 1996 c. 8, s. 197(2)(b)

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Marginal Citations

M87 1882 c. 61.

Interest payable by Commissioners

- 22 (1) Where, due to an error on the part of the Commissioners, a person—
- (a) has paid to them by way of tax an amount which was not tax due and which they are in consequence liable to repay to him,
 - (b) has failed to claim payment of an amount to the payment of which he was entitled in pursuance of provision made under section 55(3)(c), (d) or (f) of this Act, or
 - (c) has suffered delay in receiving payment of an amount due to him from them in connection with tax,
- then, if and to the extent that they would not be liable to do so apart from this paragraph, they shall (subject to the following provisions of this paragraph) pay interest to him on that amount for the applicable period.
- [^{F592}(1A) In sub-paragraph (1) above—
- (a) the reference in paragraph (a) to an amount which the Commissioners are liable to repay in consequence of the making of a payment that was not due is a reference to only so much of that amount as is the subject of a claim that the Commissioners are required to satisfy or have satisfied; and
 - (b) the amounts referred to in paragraph (c) do not include any amount payable under this paragraph.]
- (2) Interest under this paragraph shall be payable at [^{F593}the rate applicable under section 197 of the Finance Act 1996]
- (3) The applicable period, in a case falling within sub-paragraph (1)(a) above, is the period—
- (a) beginning with the date on which the payment is received by the Commissioners, and
 - (b) ending with the date on which they authorise payment of the amount on which the interest is payable.
- (4) The applicable period, in a case falling within sub-paragraph (1)(b) or (c) above, is the period—
- (a) beginning with the date on which, apart from the error, the Commissioners might reasonably have been expected to authorise payment of the amount on which the interest is payable, and
 - (b) ending with the date on which they in fact authorise payment of that amount.
- [^{F594}(5) In determining the applicable period for the purposes of this paragraph there shall be left out of account any period by which the Commissioners' authorisation of the payment of interest is delayed by the conduct of the person who claims the interest.
- (5A) The reference in sub-paragraph (5) above to a period by which the Commissioners' authorisation of the payment of interest is delayed by the conduct of the person who claims it includes, in particular, any period which is referable to—
- (a) any unreasonable delay in the making of the claim for interest or in the making of any claim for the payment or repayment of the amount on which interest is claimed;

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- (b) any failure by that person or a person acting on his behalf or under his influence to provide the Commissioners—
 - (i) at or before the time of the making of a claim, or
 - (ii) subsequently in response to a request for information by the Commissioners,
 with all the information required by them to enable the existence and amount of the claimant's entitlement to a payment or repayment, and to interest on that payment or repayment, to be determined; and
 - (c) the making, as part of or in association with either—
 - (i) the claim for interest, or
 - (ii) any claim for the payment or repayment of the amount on which interest is claimed,
 of a claim to anything to which the claimant was not entitled.
- (6) In determining for the purposes of sub-paragraph (5A) above whether any period of delay is referable to a failure by any person to provide information in response to a request by the Commissioners, there shall be taken to be so referable, except so far as may be provided for by regulations, any period which—
- (a) begins with the date on which the Commissioners require that person to provide information which they reasonably consider relevant to the matter to be determined; and
 - (b) ends with the earliest date on which it would be reasonable for the Commissioners to conclude—
 - (i) that they have received a complete answer to their request for information;
 - (ii) that they have received all that they need in answer to that request; or
 - (iii) that it is unnecessary for them to be provided with any information in answer to that request.]
- (8) The Commissioners shall only be liable to pay interest under this paragraph on a claim made in writing for that purpose.
- [^{F595}(9) A claim under this paragraph shall not be made more than [^{F596}4 years] after the end of the applicable period to which it relates.]
- [^{F597}(10) References in this paragraph to the authorisation by the Commissioners of the payment of any amount include references to the discharge by way of set-off of the Commissioners' liability to pay that amount.]

Textual Amendments

- F592** Sch. 7 para. 22(1A) inserted (*retrospectively*) by 1997 c. 16, s. 50(1), **Sch. 5**, para. 9(1)(2)
- F593** Words in Sch. 7 para. 22(2) substituted (29.4.1996 with effect as mentioned in s. 197(7) of the amending Act) by 1996 c. 8, s. 197(6)(c)(7); S.I. 1997/1015, art. 2
- F594** Sch. 7 para. 22(5)-(6) substituted for para. 22(5)-(7) (19.3.1997 with effect as mentioned in Sch. 5 para. 10(2) of the amending Act) by 1997 c. 16, s. 50(1), **Sch. 5** para. 10(1)(2)
- F595** Sch. 7 para. 22(9) substituted (*retrospectively*) by 1997 c. 16, s. 50(1), **Sch. 5**, para. 9(1)(3)
- F596** Words in Sch. 7 para. 22(9) substituted (1.4.2010) by Finance Act 2009 (c. 10), s. 99(2), **Sch. 51** para. 3; S.I. 2010/867, art. 2(1) (with art. 4)
- F597** Sch. 7 para. 22(10) substituted (*retrospectively*) by 1997 c. 16, s. 50(1), **Sch. 5**, para. 9(1)(4)

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Modifications etc. (not altering text)

C88 Sch. 7 para. 22: power to amend conferred (29.4.1996) by 1996 c. 8, s. 197(2)(b)

- 23 (1) In a case where—
- (a) any interest is payable by the Commissioners to a person on a sum due to him under this Part of this Act, and
 - (b) he is a person to whom regulations under section 55 of this Act apply,
- the interest shall be treated as an amount to which he is entitled by way of credit in pursuance of the regulations.
- (2) Sub-paragraph (1) above shall be disregarded for the purpose of determining a person's entitlement to interest or the amount of interest to which he is entitled.

PART VI

MISCELLANEOUS

Security for tax

- 24 Where it appears to the Commissioners requisite to do so for the protection of the revenue they may require a registrable person, as a condition of his entering into taxable insurance contracts, to give security (or further security) of such amount and in such manner as they may determine for the payment of any tax which is or may become due from him.

Assessments to penalties etc.

- 25 (1) Where a person is liable—
- (a) to a penalty under any of paragraphs 12 to 19 above, or
 - (b) for interest under paragraph 21 above,
- the Commissioners may, subject to sub-paragraph (2) below, assess the amount due by way of penalty or interest (as the case may be) and notify it to him accordingly; and the fact that any conduct giving rise to a penalty under any of paragraphs 12 to 19 above may have ceased before an assessment is made under this paragraph shall not affect the power of the Commissioners to make such an assessment.
- (2) In the case of the penalties and interest referred to in the following paragraphs of this sub-paragraph, the assessment under this paragraph shall be of an amount due in respect of the accounting period which in the paragraph concerned is referred to as the relevant period—
- (a) in the case of a penalty under paragraph 12 above relating to the evasion of tax, the relevant period is the accounting period for which the tax evaded was due;
 - (b) in the case of a penalty under paragraph 12 above relating to the obtaining of a payment under regulations under section 55(3)(c) or (d) or (f) of this Act, the relevant period is the accounting period in respect of which the payment was obtained;
 - (c) in the case of interest under paragraph 21 above, the relevant period is the accounting period in respect of which the tax (or amount assessed as tax) was due.

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- (3) In a case where the amount of any penalty or interest falls to be calculated by reference to tax which was not paid at the time it should have been and that tax cannot be readily attributed to any one or more accounting periods, it shall be treated for the purposes of this Part of this Act as tax due for such period or periods as the Commissioners may determine to the best of their judgment and notify to the person liable for the tax and penalty or interest.
- (4) Where a person is assessed under this paragraph to an amount due by way of any penalty or interest falling within sub-paragraph (2) above and is also assessed under subsection (1) or (2) of section 56 of this Act for the accounting period which is the relevant period under sub-paragraph (2) above, the assessments may be combined and notified to him as one assessment, but the amount of the penalty or interest shall be separately identified in the notice.
- (5) Sub-paragraph (6) below applies in the case of—
 - (a) an amount due by way of penalty under paragraph 15 or 16 above;
 - (b) an amount due by way of interest under paragraph 21 above.
- (6) Where this sub-paragraph applies in the case of an amount—
 - (a) a notice of assessment under this paragraph shall specify a date, being not later than the date of the notice, to which the aggregate amount of the penalty or, as the case may be, the amount of interest which is assessed is calculated, and
 - (b) if the penalty or interest continues to accrue after that date, a further assessment or further assessments may be made under this paragraph in respect of amounts which so accrue.
- (7) If, within such period as may be notified by the Commissioners to the person liable to the penalty under paragraph 15 or 16 above or for the interest under paragraph 21 above—
 - (a) a failure falling within paragraph 15(3) above is remedied,
 - (b) the tax referred to in paragraph 16(1) above is paid, or
 - (c) the amount referred to in paragraph 21(1) above is paid,
 it shall be treated for the purposes of paragraph 15, 16 or 21 above (as the case may be) as remedied or paid on the date specified as mentioned in sub-paragraph (6)(a) above.
- (8) Where an amount has been assessed and notified to any person under this paragraph it shall be recoverable as if it were tax due from him unless, or except to the extent that, the assessment has subsequently been withdrawn or reduced.
- (9) Subsection (8) of section 56 of this Act shall apply for the purposes of this paragraph as it applies for the purposes of that section.

Modifications etc. (not altering text)

- C89** Sch. 7 para. 25(1)–(7) excluded (1.4.2004) by [The Recovery of Duties and Taxes Etc. Due in Other Member States \(Corresponding UK Claims, Procedure and Supplementary\) Regulations 2004 \(S.I. 2004/674\)](#), reg. 1, [Sch. 2 para. 4\(1\)](#)
- C90** Sch. 7 para. 25(8) applied (with modifications) (1.4.2004) by [The Recovery of Duties and Taxes Etc. Due in Other Member States \(Corresponding UK Claims, Procedure and Supplementary\) Regulations 2004 \(S.I. 2004/674\)](#), reg. 1, [Sch. 2 para. 4\(2\)](#)

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- C91** Sch. 7 para. 25(8) restricted (1.4.2004) by [The Recovery of Duties and Taxes Etc. Due in Other Member States \(Corresponding UK Claims, Procedure and Supplementary\) Regulations 2004 \(S.I. 2004/674\)](#), reg. 1, [Sch. 2 para. 4\(1\)](#)
- C92** Sch. 7 para. 25(9) excluded (1.4.2004) by [The Recovery of Duties and Taxes Etc. Due in Other Member States \(Corresponding UK Claims, Procedure and Supplementary\) Regulations 2004 \(S.I. 2004/674\)](#), reg. 1, [Sch. 2 para. 4\(1\)](#)

Assessments: time limits

- 26 (1) Subject to the following provisions of this paragraph, an assessment under—
- any provision of section 56 of this Act, or
 - paragraph 25 above,
- shall not be made more than [^{F598}4 years after the relevant event] .
- [^{F599}(1A) In this paragraph “the relevant event”, in relation to an assessment, means—
- the end of the accounting period concerned, or
 - in the case of an assessment under paragraph 25 of an amount due by way of a penalty other than a penalty referred to in paragraph 25(2), the event giving rise to the penalty.]
- (2) An assessment under paragraph 25 above of—
- an amount due by way of any penalty referred to in sub-paragraph (2) of that paragraph, or
 - an amount due by way of interest,
- may be made at any time before the expiry of the period of two years beginning with the time when the amount of tax due for the accounting period concerned has been finally determined.
- (3) In relation to an assessment under paragraph 25 above, any reference in [^{F600}sub-paragraph (1A)]or (2) above to the accounting period concerned is a reference to that period which, in the case of the penalty or interest concerned, is the relevant period referred to in sub-paragraph (2) of that paragraph.
- [^{F601}(4) An assessment of an amount due from a person in a case involving a loss of tax—
- brought about deliberately by the person (or by another person acting on that person's behalf), or
 - attributable to a failure by the person to comply with an obligation under section 53(1) or (2) or 53AA(1) or (3),
- may be made at any time not more than 20 years after the relevant event.
- (5) In sub-paragraph (4)(a) the reference to a loss brought about deliberately by the person includes a loss brought about as a result of a deliberate inaccuracy in a document given to Her Majesty's Revenue and Customs by or on behalf of that person.]

Textual Amendments

- F598** Words in Sch. 7 para. 26(1) substituted (1.4.2010) by [Finance Act 2009 \(c. 10\)](#), s. 99(2), [Sch. 51 para. 4\(2\)](#); [S.I. 2010/867](#), art. 2(1) (with art. 5)
- F599** Sch. 7 para. 26(1A) inserted (1.4.2010) by [Finance Act 2009 \(c. 10\)](#), s. 99(2), [Sch. 51 para. 4\(3\)](#); [S.I. 2010/867](#), art. 2(1) (with art. 5)

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F600 Sch. 7 para. 26(4)(5) substituted (1.4.2010) for Sch. 7 para. 26(4) by [Finance Act 2009 \(c. 10\)](#), s. 99(2), [Sch. 51 para. 4\(5\)](#); [S.I. 2010/867](#), art. 2(1) (with art. 5)

F601 Words in Sch. 7 para. 26(3) substituted (1.4.2010) by [Finance Act 2009 \(c. 10\)](#), s. 99(2), [Sch. 51 para. 4\(4\)](#); [S.I. 2010/867](#), art. 2(1) (with art. 5)

Supplementary assessments

- 27 If, otherwise than in circumstances falling within subsection (5)(b) of section 56 of this Act, it appears to the Commissioners that the amount which ought to have been assessed in an assessment under any provision of that section or under paragraph 25 above exceeds the amount which was so assessed, then—
- (a) under the like provision as that assessment was made, and
 - (b) on or before the last day on which that assessment could have been made, the Commissioners may make a supplementary assessment of the amount of the excess and shall notify the person concerned accordingly.

Disclosure of information

- 28 (1) Notwithstanding any obligation not to disclose information that would otherwise apply, the Commissioners may disclose information—
- (a) to the Secretary of State, or
 - (b) to an authorised officer of the Secretary of State,
- for the purpose of assisting the Secretary of State in the performance of his duties.
- (2) Notwithstanding any such obligation as is mentioned in sub-paragraph (1) above—
- (a) the Secretary of State, or
 - (b) an authorised officer of the Secretary of State,
- may disclose information to the Commissioners or to an authorised officer of the Commissioners for the purpose of assisting the Commissioners in the performance of duties in relation to tax.
- (3) Information that has been disclosed to a person by virtue of this paragraph shall not be disclosed by him except—
- (a) to another person to whom (instead of him) disclosure could by virtue of this paragraph have been made, or
 - (b) for the purpose of any proceedings connected with the operation of any provision of, or made under, any enactment in relation to insurance or to tax.
- (4) References in the preceding provisions of this paragraph to an authorised officer of the Secretary of State are to any person who has been designated by the Secretary of State as a person to and by whom information may be disclosed under this paragraph.
- (5) The Secretary of State shall notify the Commissioners in writing of the name of any person designated under sub-paragraph (4) above.

Modifications etc. (not altering text)

- C93** Sch. 7 para. 28: certain functions of the Secretary of State made exercisable concurrently with the Treasury (5.1.1998) by [S.I. 1997/2781](#), [arts. 4\(3\)](#) (with art. 7)

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- [^{F602}28A(1)] Notwithstanding any obligation not to disclose information that would otherwise apply, the Commissioners may disclose information—
- (a) to the Treasury, or
 - (b) to an authorised officer of the Treasury,
- for the purpose of assisting the Treasury in the performance of their duties.
- (2) Notwithstanding any such obligation as is mentioned in sub-paragraph (1) above—
- (a) the Treasury, or
 - (b) an authorised officer of the Treasury,
- may disclose information to the Commissioners or to an authorised officer of the Commissioners for the purpose of assisting the Commissioners in the performance of duties in relation to tax.
- (3) Information that has been disclosed to a person by virtue of this paragraph shall not be disclosed by him except—
- (a) to another person to whom (instead of him) disclosure could by virtue of this paragraph have been made, or
 - (b) for the purpose of any proceedings connected with the operation of any provision of, or made under, any enactment in relation to insurance or to tax.
- (4) References in the preceding provisions of this paragraph to an authorised officer of the Treasury are to any person who has been designated by the Treasury as a person to and by whom information may be disclosed under this paragraph.
- (5) The Treasury shall notify the Commissioners in writing of the name of any person designated under sub-paragraph (4) above.]

Textual Amendments

F602 Sch. 7 para. 28A inserted (5.1.1998) by [S.I. 1997/2781](#), art. 8(1), [Sch. Pt. II para. 124](#) (with art. 7)

- [^{F603}28B(1)] Notwithstanding any obligation not to disclose information that would otherwise apply, the Commissioners may disclose information to [^{F604}a regulator] for the purpose of [^{F605}assisting the regulator] in the performance of its functions.
- (2) Information that has been disclosed to [^{F606}a regulator] pursuant to this paragraph shall not be disclosed by [^{F607}the regulator] except for the purpose of any proceedings connected with the operation of any provision of, or made under, any enactment in relation to insurance or to tax.]
- [^{F608}(3) In this paragraph “regulator” means—
- (a) the Financial Conduct Authority;
 - (b) the Prudential Regulation Authority.]

Textual Amendments

F603 Sch. 7 para. 28B inserted (4.3.2004) by [The Financial Services and Markets Act 2000 \(Consequential Amendments\) Order 2004 \(S.I. 2004/355\)](#), arts. 1(1), [4](#)

F604 Words in Sch. 7 para. 28B(1) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 18 para. 79\(2\)\(a\)\(i\)](#) (with [Sch. 20](#)); [S.I. 2013/423](#), art. 3, [Sch.](#)

F605 Words in Sch. 7 para. 28B(1) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 18 para. 79\(2\)\(a\)\(ii\)](#) (with [Sch. 20](#)); [S.I. 2013/423](#), art. 3, [Sch.](#)

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- F606** Words in Sch. 7 para. 28B(2) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 18 para. 79\(2\)\(b\)\(i\)](#) (with [Sch. 20](#)); S.I. 2013/423, art. 3, Sch.
- F607** Words in Sch. 7 para. 28B(2) substituted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 18 para. 79\(2\)\(b\)\(ii\)](#) (with [Sch. 20](#)); S.I. 2013/423, art. 3, Sch.
- F608** Sch. 7 para. 28B(3) inserted (1.4.2013) by [Financial Services Act 2012 \(c. 21\)](#), s. 122(3), [Sch. 18 para. 79\(2\)\(c\)](#) (with [Sch. 20](#)); S.I. 2013/423, art. 3, Sch.

Evidence by certificate

- 29 (1) A certificate of the Commissioners—
- (a) that a person was or was not at any time registered under section 53 of this Act, [^{F609} or]
 - (b) that any return required by regulations under section 54 of this Act has not been made or had not been made at any time, ^{F610} ...
- ^{F610}
shall be sufficient evidence of that fact until the contrary is proved.
- (2) Any document purporting to be a certificate under sub-paragraph (1) above shall be taken to be such a certificate until the contrary is proved.

Textual Amendments

- F609** Word in Sch. 7 para. 29(1)(a) inserted (21.7.2008) by [Finance Act 2008 \(c. 9\)](#), [Sch. 44 para. 5\(a\)](#)
- F610** Sch. 7 para. 29(1)(c) and word omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 44 para. 5\(b\)](#)

Service of notices etc.

- 30 Any notice, notification or requirement to be served on, given to or made of any person for the purposes of this Part of this Act may be served, given or made by sending it by post in a letter addressed to that person or his tax representative at the last or usual residence or place of business of that person or representative.

No deduction of penalties or interest

- 31 In section 827 of the Taxes Act 1988 (no deduction for penalties etc.) the following subsection shall be inserted after subsection (1A)—
- “(1B) Where a person is liable to make a payment by way of—
- (a) penalty under any of paragraphs 12 to 19 of Schedule 7 to the Finance Act 1994 (insurance premium tax), or
 - (b) interest under paragraph 21 of that Schedule,
- the payment shall not be allowed as a deduction in computing any income, profits or losses for any tax purposes.”

Destination of receipts

- ^{F611}32

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Textual Amendments

F611 Sch. 7 para. 32 repealed (18.4.2005) by [Commissioners for Revenue and Customs Act 2005 \(c. 11\)](#), s. 53(1), Sch. 4 para. 53, [Sch. 5](#); S.I. 2005/1126, art. 2(2)(h)(i)

Provisional collection of tax

- 33 In section 1(1) of the ^{M88}Provisional Collection of Taxes Act 1968 after “value added tax,” there shall be inserted “ insurance premium tax, ”.

Marginal Citations

M88 1968 c. 2.

- 34 (1) In a case where—
- (a) by virtue of a resolution having effect under the Provisional Collection of Taxes Act 1968 tax has been paid at a rate specified in the resolution, and
 - (b) by virtue of section 1(6) or (7) or 5(3) of that Act any of that tax is repayable in consequence of the restoration in relation to the premium concerned of a lower rate,
- the amount repayable shall be the difference between the tax paid by reference to the actual chargeable amount at the rate specified in the resolution and the tax that would have been payable by reference to the actual chargeable amount at the lower rate.
- (2) In sub-paragraph (1) above the “actual chargeable amount” means the chargeable amount by reference to which tax was paid.
- (3) In a case where—
- (a) by virtue of a resolution having effect under the ^{M89}Provisional Collection of Taxes Act 1968 tax is chargeable at a rate specified in the resolution, but
 - (b) before the tax is paid it ceases to be chargeable at that rate in consequence of the restoration in relation to the premium concerned of a lower rate,
- the tax chargeable at the lower rate shall be charged by reference to the same chargeable amount as that by reference to which tax would have been chargeable at the rate specified in the resolution.

Marginal Citations

M89 1968 c. 2.

Adjustment of contracts

- 35 (1) Where, after the making of a contract of insurance and before a given premium is received by the insurer under the contract, there is a change in the tax chargeable on the receipt of the premium, then, unless the contract otherwise provided, there shall be added to or deducted from the amount payable as the premium an amount equal to the difference between—
- (a) the tax chargeable had the change not been made, and
 - (b) the tax in fact chargeable.

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- (2) References in sub-paragraph (1) above to a change in the tax chargeable include references to a change to or from no tax being chargeable.
- (3) Where this paragraph applies, the amount of the premium shall not be treated as altered for the purposes of calculating tax.

[^{F612}SCHEDULE 7A

INSURANCE PREMIUM TAX: CONTRACTS THAT ARE NOT TAXABLE

Textual Amendments

F612 Sch. 7A inserted (1.10.1994) by [S.I. 1994/1698](#), [art. 5](#)

PART I

DESCRIPTIONS OF CONTRACT

Contracts of reinsurance

- 1 A contract falls within this paragraph if it is a contract of reinsurance.

Contracts constituting long term business

- 2 (1) [^{F613}Subject to sub-paragraph (3) below, a contract falls]] within this paragraph [^{F614}if it is exclusively a contract of long-term insurance.]
- [^{F615}(2) In deciding whether a contract is exclusively a contract of long-term insurance, as is mentioned in sub-paragraph (1) above, where—
 - (a) the contract includes cover for risks relating to accident or sickness;
 - (b) the contract contains related and subsidiary provisions such that it might also be regarded as a contract of general insurance, but is treated as a contract of long-term insurance for the purposes of any relevant order made under section 22 of the Financial Services and Markets Act 2000; and
 - (c) the contract was not entered into after 30th November 1993, the inclusion of such cover shall be ignored.]
- [^{F616}(3) A contract which would otherwise fall within this paragraph does not do so if it is for medical insurance.
- (4) Subject to sub-paragraph (5) below, for the purposes of this paragraph a contract is a contract for medical insurance if it provides one or more of the following benefits, whether or not their provision is subject to conditions or limitations—
 - (a) medical, dental or optical, consultation, diagnosis or treatment;
 - (b) alternative or complementary medical treatment or therapy;
 - (c) convalescent care;
 - (d) goods or services related to any of the above;

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- (e) payment or reimbursement of, or a grant towards, the whole or part of the cost of any of the above;
 - (f) payment of a specified sum for optical, dental or medical appointments;
 - (g) payment of a specified sum for each specified period of treatment as a hospital in-patient;
 - (h) payment of a specified sum for each specified period of convalescent care; or
 - (i) payment of a specified sum, except one to which sub-paragraph (6) below applies, when a person is diagnosed as requiring or has undergone a specified medical procedure.
- (5) A benefit which would apart from this sub-paragraph fall within sub-paragraph (4) above shall not do so if, before he can become entitled to the benefit, the insured is required—
- (a) to be suffering from a disability which so impairs his ability to carry out normal activities of daily living that he requires long term care, supervision or assistance; and
 - (b) to have been suffering from the disability for a continuous period of not less than 4 weeks.
- (6) This sub-paragraph applies to a payment of a specified sum if the contract under which it is payable provides that only one such payment in relation to each specified medical procedure will be made in respect of each person in relation to whom benefit is payable under the contract.]

Textual Amendments

- F613** Words in Sch. 7A para. 2(1) substituted (1.10.1997) by [S.I. 1997/1627](#), [art. 2\(a\)](#)
- F614** Words in Sch. 7A para. 2(1) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(2\)](#)
- F615** Sch. 7A, para. 2(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(3\)](#)
- F616** Sch. 7A para. 2(3)-(6) inserted (1.10.1997) by [S.I. 1997/1627](#), [art. 2\(b\)](#)

Contracts relating to motor vehicles for use by handicapped persons

- 3 (1) A contract falls within this paragraph if it relates only to a motor vehicle and the conditions mentioned in sub-paragraph (2) below are satisfied.
- (2) The conditions referred to in sub-paragraph (1) above are that—
- (a) the vehicle is used, or intended for use, by a handicapped person in receipt of a disability living allowance [^{F617}, or personal independence payment,] by virtue of entitlement to the mobility component [^{F618}, or of an armed forces independence payment II^{F619}, or of a mobility supplement or of disability assistance for children and young people [^{F620}, or disability assistance for working age people,] by virtue of entitlement to the mobility component];
 - (b) the insured lets such vehicles on hire to such persons in the course of a business consisting predominantly of the provision of motor vehicles to such persons; and
 - (c) the insured does not in the course of the business let such vehicles on hire to such persons on terms other than qualifying terms.

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(3) For the purposes of sub-paragraph (2)(c) above a vehicle is let on qualifying terms to a person (the lessee) if the consideration for the letting consists wholly or partly of sums paid to the insured by—

- [^{F621}(a) the Department for Work and Pensions;]
- (b) the Department of Health and Social Services for Northern Ireland; ^{F622}...
- (c) the Ministry of Defence [^{F623}; or
- (d) the Scottish Ministers,]

on behalf of the lessee in respect of the disability living allowance [^{F624}, personal independence payment, armed forces independence payment][^{F625}, mobility [^{F626}supplement,] disability assistance for children and young people][^{F627} or of disability assistance for working age people] to which the lessee is entitled.

(4) For the purposes of this paragraph—

- (a) “handicapped” means chronically sick or disabled;
- (b) “disability living allowance” means a disability living allowance within the meaning of section 71 of the Social Security Contributions and Benefits Act 1992 ^{M90} or section 71 of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 ^{M91};
- [^{F628}(ba) personal independence payment” means a personal independence payment under Part 4 of the Welfare Reform Act 2012 or the corresponding provision having effect in Northern Ireland;
- (bb) “armed forces independence payment” means an armed forces independence payment under a scheme established under section 1 of the Armed Forces (Pensions and Contributions) Act 2004;]
- (c) “mobility supplement” means a mobility supplement within the meaning of article 26A of the Naval, Military and Air Forces etc. (Disablement and Death) Service Pensions Order 1983 ^{M92}, article 25A of the Personal Injuries (Civilians) Scheme 1983 ^{M93}, article 3 of the Motor Vehicles (Exemption from Vehicles Excise Duty) Order 1985 ^{M94} or article 3 of the Motor Vehicles (Exemption from Vehicles Excise Duty) (Northern Ireland) Order 1985 ^{M95} [^{F629}];]
- [^{F630}(d) “disability assistance for children and young people” means a category of disability assistance specifically for children and young people given in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018 [^{F631}];]
- [^{F632}(e) “disability assistance for working age people” means a category of disability assistance specifically for working age people given in accordance with regulations made under section 31 of the Social Security (Scotland) Act 2018.]

Textual Amendments

F617 Words in Sch. 7A para. 3(2)(a) inserted (retrospective to 8.4.2013) by [Finance Act 2013 \(c. 29\), s. 201\(2\)\(a\)\(5\)](#)

F618 Words in Sch. 7A para. 3(2)(a) inserted (retrospective to 8.4.2013) by [Finance Act 2013 \(c. 29\), s. 201\(2\)\(b\)\(5\)](#)

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- F619** Words in Sch. 7A para. 3(2)(a) substituted (26.7.2021) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance\) \(Consequential Provision and Modifications\) Order 2021 \(S.I. 2021/886\)](#), arts. 1(2), **7(2)(a)**
- F620** Words in Sch. 7A para. 3(2)(a) inserted (21.3.2022) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance and Information-Sharing\) \(Consequential Provision and Modifications\) Order 2022 \(S.I. 2022/332\)](#), arts. 1(2), **5(2)(a)**
- F621** Sch. 7A para. 3(3)(a) substituted (27.6.2002) by [The Secretaries of State for Education and Skills and for Work and Pensions Order 2002 \(S.I. 2002/1397\)](#), art. 12, **Sch. para. 10**
- F622** Word in Sch. 7A para. 3(3)(b) omitted (26.7.2021) by virtue of [The Social Security \(Scotland\) Act 2018 \(Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance\) \(Consequential Provision and Modifications\) Order 2021 \(S.I. 2021/886\)](#), arts. 1(2), **7(2)(b)(i)**
- F623** Sch. 7A para. 3(3)(d) and word inserted (26.7.2021) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance\) \(Consequential Provision and Modifications\) Order 2021 \(S.I. 2021/886\)](#), arts. 1(2), **7(2)(b)(ii)**
- F624** Words in Sch. 7A para. 3(3) inserted (retrospective to 8.4.2013) by [Finance Act 2013 \(c. 29\)](#), **s. 201(3)(5)**
- F625** Words in Sch. 7A para. 3(3) substituted (26.7.2021) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance\) \(Consequential Provision and Modifications\) Order 2021 \(S.I. 2021/886\)](#), arts. 1(2), **7(2)(b)(iii)**
- F626** Word in Sch. 7A para. 3(3) substituted (21.3.2022) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance and Information-Sharing\) \(Consequential Provision and Modifications\) Order 2022 \(S.I. 2022/332\)](#), arts. 1(2), **5(2)(b)(i)**
- F627** Words in Sch. 7A para. 3(3) inserted (21.3.2022) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance and Information-Sharing\) \(Consequential Provision and Modifications\) Order 2022 \(S.I. 2022/332\)](#), arts. 1(2), **5(2)(b)(ii)**
- F628** Sch. 7A para. 3(4)(ba)(bb) inserted (retrospective to 8.4.2013) by [Finance Act 2013 \(c. 29\)](#), **s. 201(4)(5)**
- F629** Semi-colon at the end of Sch. 7A para. 3(4)(c) substituted for full stop (26.7.2021) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance\) \(Consequential Provision and Modifications\) Order 2021 \(S.I. 2021/886\)](#), arts. 1(2), **7(2)(c)**
- F630** Sch. 7A para. 3(4)(d) inserted (26.7.2021) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance, Young Carer Grants, Short-term Assistance and Winter Heating Assistance\) \(Consequential Provision and Modifications\) Order 2021 \(S.I. 2021/886\)](#), arts. 1(2), **7(2)(d)**
- F631** Sch. 7A para. 3(4)(d): semicolon substituted for full stop (21.3.2022) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance and Information-Sharing\) \(Consequential Provision and Modifications\) Order 2022 \(S.I. 2022/332\)](#), arts. 1(2), **5(2)(c)**
- F632** Sch. 7A para. 3(4)(e) inserted (21.3.2022) by [The Social Security \(Scotland\) Act 2018 \(Disability Assistance and Information-Sharing\) \(Consequential Provision and Modifications\) Order 2022 \(S.I. 2022/332\)](#), arts. 1(2), **5(2)(d)**

Marginal Citations

M90 1992 c.4.

M91 1992 c.7.

M92 [S.I. 1983/883](#); article 26A was inserted by [S.I. 1983/1116](#), and has been amended by [S.I. 1983/1521](#), 1986/592 and 1990/1308.

M93 [S.I. 1983/686](#); article 25A was inserted by [S.I. 1983/1164](#), and has been amended by [S.I. 1983/1540](#), 1986/628, 1990/1300 and 1992/702.

M94 [S.I. 1985/722](#).

M95 [S.I. 1985/723](#).

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Contracts relating to commercial ships

- 4 (1) A contract falls within this paragraph if it relates only to a commercial ship and is [^{F633}a contract of general insurance of a relevant class.]
- [^{F634}(2) For the purposes of this paragraph, a contract of general insurance is of a relevant class if it insures against risks arising from or in relation to—
- (a) accidents,
 - (b) ships, or
 - (c) liabilities of ships,
- (and no other risks).]
- (3) For the purposes of this paragraph a commercial ship is a ship which is—
- (a) of a gross tonnage of 15 tons or more; and
 - (b) not designed or adapted for use for recreation or pleasure.

Textual Amendments

F633 Words in Sch. 7A para. 4(1) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(4\)\(a\)](#)

F634 Sch. 7A para. 4(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [art. 346\(4\)\(b\)](#)

Contracts relating to lifeboats and lifeboat equipment

- 5 (1) A contract falls within this paragraph if it relates only to a lifeboat and is [^{F635}a contract of general insurance of a relevant class.]
- [^{F636}(2) For the purposes of this paragraph, a contract of general insurance is of a relevant class if it insures against risks arising from or in relation to—
- (a) accidents,
 - (b) ships, or
 - (c) liabilities of ships,
- (and no other risks).]
- (3) For the purposes of this paragraph a lifeboat is a vessel used or to be used solely for rescue or assistance at sea.

Textual Amendments

F635 Words in Sch. 7A para. 5(1) substituted (1.12.2001) by [2001/3649](#), [art. 346\(5\)\(a\)](#)

F636 Sch. 7A para. 5(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [art. 346\(5\)\(b\)](#)

- 6 (1) A contract falls within this paragraph if it relates only to a lifeboat and lifeboat equipment and is such that, if it related only to a lifeboat, it would fall within paragraph 5 above.
- (2) In deciding whether a contract relates to lifeboat equipment the nature of the risks concerned is immaterial, and they may (for example) be risks of dying or sustaining injury or of loss or damage.
- (3) For the purposes of this paragraph—
- (a) “lifeboat” has the meaning given by paragraph 5(3) above; and

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- (b) “lifeboat equipment” means anything used or to be used solely in connection with a lifeboat.

Contracts relating to commercial aircraft

- 7 (1) A contract falls within this paragraph if it relates only to a commercial aircraft and is ^{F637}a contract of general insurance of a relevant class.]
- ^{F638}(2) For the purposes of this paragraph, a contract of general insurance is of a relevant class if it insures against risks arising from or in relation to—
- (a) accidents,
 - (b) aircraft, or
 - (c) aircraft liability,
- (and no other risks).]
- (3) For the purposes of this paragraph a commercial aircraft is an aircraft which is—
- (a) of a weight of 8,000 kilogrammes or more; and
 - (b) not designed or adapted for use for recreation or pleasure.

Textual Amendments

F637 Words in Sch. 7A para. 7(1) substituted (1.12.2001) by [S.I. 2001/3649](#), [art. 346\(6\)\(a\)](#)

F638 Sch. 7A para. 7(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [art. 346\(6\)\(b\)](#)

^{F639}Contracts relating to spacecraft

Textual Amendments

F639 Sch. 7A para. 7A and cross-heading inserted (1.12.2014) by [The Insurance Premium Tax \(Non-taxable Insurance Contracts\) Order 2014 \(S.I. 2014/2856\)](#), [arts. 1, 2](#)

- 7A (1) A contract falls within this paragraph if it relates only to the operation of a spacecraft and is a contract of general insurance of a relevant class.
- (2) For the purposes of this paragraph, a contract of general insurance is of a relevant class if it insures against risks arising from or in relation to—
- (a) accidents,
 - (b) goods in transit,
 - (c) fire or natural forces,
 - (d) damage to, or loss or malfunction of, property, or
 - (e) general liability to third parties,
- (and no other risks).
- (3) For the purposes of this paragraph—
- (a) the “operation of a spacecraft” means the launch, flight, orbit or re-entry of a spacecraft, and
 - (b) “spacecraft” includes all component parts of its launch vehicle.]

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Contracts relating to risks outside the United Kingdom

8 (1) A contract falls within this paragraph if it relates only to a risk which is situated outside the United Kingdom.

[^{F640}(2) The question of whether a risk is situated in the United Kingdom shall be determined in accordance with [^{F641}the Table in sub-paragraph (3)].]

[^{F642}(3) This is the Table referred to in sub-paragraph (2)—

| <i>Where—</i> | <i>The risk is situated in—</i> |
|---|--|
| the contract relates to a building, to some or all of the contents of a building or to a building and some or all of its contents | the country or territory in which the building is situated |
| the contract relates to vehicles of any type | the country or territory in which the vehicle is registered |
| the contract covers travel or holiday risks and has a duration of four months or less | the country or territory in which the policyholder entered into the contract |
| the contract does not fall within any of the previous entries and the policyholder is an individual | the country or territory in which the policyholder is habitually resident on the date on which the contract is entered into |
| the contract does not fall within any of the previous entries | the country or territory in which the establishment of the policyholder to which the contract relates is situated on the date on which the contract is entered into. |

(4) For the purposes of the last entry in the Table, “establishment”, in relation to a policyholder (“P”), means—

- (a) P’s head office or any of P’s agencies or branches, or
- (b) any permanent presence of P (which need not take the form of a branch or agency and, for example, may consist of an office managed by P’s staff or by a person who is independent of P but who has permanent authority to act for P as if the person were an agency).]

Textual Amendments

F640 Sch. 7A para. 8(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [art. 346\(7\)\(a\)](#)

F641 Words in Sch. 7A para. 8(2) substituted (24.2.2022 in relation to contracts of insurance entered into on or after that date) by [Finance Act 2022 \(c. 3\)](#), [s. 73\(2\)\(4\)](#)

F642 Sch. 7A para. 8(3)(4) inserted (24.2.2022 in relation to contracts of insurance entered into on or after that date) by [Finance Act 2022 \(c. 3\)](#), [s. 73\(3\)\(4\)](#)

Contracts relating to foreign or international railway rolling stock

9 (1) A contract falls within this paragraph if it relates only to foreign or international railway rolling stock and is [^{F643}a contract of general insurance of a relevant class.]

[^{F644}(2) For the purposes of this paragraph, a contract of general insurance is of a relevant class if it insures against risks arising from or in relation to—

- (a) railway rolling stock, or

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(b) general liability to third parties,
(and no other risks).]

(3) For the purposes of this paragraph foreign or international railway rolling stock is railway rolling stock used principally for journeys taking place wholly or partly outside the United Kingdom.

Textual Amendments

F643 Words in Sch. 7A para. 9(1) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(8\)\(a\)](#)

F644 Sch. 7A para. 9(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(8\)\(b\)](#)

Contracts relating to the Channel tunnel

10 (1) A contract falls within this paragraph if it relates only to the Channel tunnel system and is [^{F645}a contract of general insurance of a relevant class.]

[^{F646}(2) For the purposes of this paragraph, a contract of general insurance is of a relevant class if it insures against risks arising from or in relation to—

- (a) fire or natural forces,
- (b) damage to property, or
- (c) general liability to third parties,
(and no other risks).]

(3) For the purposes of this paragraph “the Channel tunnel system” means—

- (a) the tunnels described in section 1(7)(a) of the Channel Tunnel Act 1987;
- (b) the control towers situated in the terminal areas described in section 1(7)(b) of that Act; and
- (c) the shuttle crossovers, wherever situated.

Textual Amendments

F645 Words in Sch. 7A para. 10(1) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(9\)\(a\)](#)

F646 Sch. 7A para. 10(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(9\)\(b\)](#)

11 (1) A contract falls within this paragraph if it relates only to relevant Channel tunnel equipment and is [^{F647}a contract of general insurance of a relevant class.]

[^{F648}(2) For the purposes of this paragraph, a contract of general insurance is of a relevant class if it insures against risks arising from or in relation to—

- (a) fire or natural forces,
- (b) damage to property, or
- (c) general liability to third parties,
(and no other risks).]

(3) For the purposes of this paragraph “the Channel tunnel system” has the meaning given by paragraph 10(3) above.

(4) For the purposes of this paragraph “relevant Channel tunnel equipment” means, subject to sub-paragraph (5) below, the fixed or movable equipment needed for the

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operation of the Channel tunnel system or for the operation of trains through any tunnel forming part of it and in particular includes—

- (a) any ventilation, cooling or electrical plant used or to be used in connection with any such operation; and
- (b) any safety, signalling and control equipment which is or is to be so used.

(5) Equipment which consists of or forms part of—

- (a) roads, bridges, platforms, ticket offices and other facilities for the use of passengers or motor vehicles;
- (b) administrative buildings and maintenance facilities; and
- (c) railway track or signalling equipment which is not situated in any part of the Channel tunnel system,

is not relevant Channel tunnel equipment for the purposes of this paragraph.

Textual Amendments

F647 Words in Sch. 7A para. 11(1) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(10\)\(a\)](#)

F648 Sch. 7A para. 11(2) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(10\)\(b\)](#)

Contracts relating to goods in foreign or international transit

- 12 (1) A contract falls within this paragraph if it relates only to loss of or damage to goods in foreign or international transit and the insured enters into the contract in the course of a business carried on by him.
- (2) For the purposes of this paragraph goods in foreign or international transit are goods in transit, and any container in which they are carried, where their carriage—
- (a) begins and ends outside the United Kingdom;
 - (b) begins outside but ends in the United Kingdom; or
 - (c) ends outside but begins in the United Kingdom.
- (3) For the purposes of sub-paragraph (2) above “container” has the same meaning as in regulation 38(3) of the Value Added Tax (General) Regulations 1985 ^{M96}.

Marginal Citations

M96 [S.I. 1985/886](#).

Contracts relating to credit

- 13 (1) A contract falls within this paragraph if it relates only to credit granted in relation to goods or services supplied under a relevant contract by a person carrying on business in the United Kingdom.
- (2) For the purposes of this paragraph a relevant contract is—
- (a) a contract to make a relevant supply of goods, or a supply of services, or both, to an overseas customer;
 - (b) a contract to supply goods to a person who is to—
 - (i) export those goods; or
 - (ii) incorporate those goods in other goods which he is to export,

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- where the condition mentioned in sub-paragraph (3) below is satisfied;
- (c) a contract to supply to a person who is to export goods services consisting of the valuation or testing of, or other work carried out on, those goods where the condition mentioned in sub-paragraph (3) below is satisfied;
 - (d) a contract to supply services to a person in order that he may comply with a legally binding obligation to make a supply of services to an overseas customer.
- (3) The condition referred to in sub-paragraph (2)(b) and (c) above is that the goods to be exported are to be exported in order that the person exporting them may comply with a legally binding obligation to make a relevant supply of goods to an overseas customer.
- (4) For the purposes of this paragraph—
- (a) “export” means export from the United Kingdom and cognate expressions shall be construed accordingly; and
 - (b) any reference to a person who is to export goods shall be taken as including a reference to a person at whose direction the insured is to export them and the reference in sub-paragraph (3) above to the person exporting goods shall be construed accordingly.
- (5) Where a contract relates to—
- (a) credit of the description in sub-paragraph (1) above; and
 - (b) loss resulting from the insured or any third party being required to pay the amount of any bond or guarantee against non-performance by the insured of the contract which involves him making the supply,
- the contract shall be treated for the purposes of sub-paragraph (1) above as if it did not relate to loss of the description in paragraph (b) above.

Contracts relating to exchange losses

- 14 (1) A contract falls within this paragraph if—
- (a) it relates only to loss resulting from a change in the rate at which the price for a supply which is or may be made by the insured may be exchanged for another currency; and
 - (b) the conditions mentioned in sub-paragraph (2) below are satisfied.
- (2) The conditions referred to in sub-paragraph (1) above are that—
- (a) the insured is a person carrying on business in the United Kingdom;
 - (b) the contract of insurance concerns a contract to make a relevant supply of goods, or a supply of services, or both, to an overseas customer (whether or not the contract to make the supply is one into which the insured has entered, or one for which he has tendered or intends to tender); and
 - (c) the period of cover for the risk expires no later than the date by which the whole of the price for the supply is to be paid or, where the contract has not been entered into, would be required to be paid.
- (3) Where the contract relates to—
- (a) loss of the description in sub-paragraph (1)(a) above; and
 - (b) loss relating from a change in the rate at which the price of goods which the insured imports into the United Kingdom for the purpose of enabling him to make the supply concerned may be exchanged for another currency,

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the contract shall be treated for the purposes of sub-paragraphs (1) and (2) above as if it did not relate to loss of the description in paragraph (b) above.

Contracts relating to the provision of financial facilities

- 15 (1) A contract falls within this paragraph if it relates only to the provision of a relevant financial facility and the conditions mentioned in sub-paragraph (2) below are satisfied.
- (2) The conditions referred to in sub-paragraph (1) above are that—
- (a) the person to whom the relevant financial facility is provided is an overseas customer;
 - (b) it is provided in order that he may comply with a legally binding obligation to receive a relevant supply of goods, or a supply of services, or both, from a person carrying on business ^{F649} . . . ; and
 - [^{F650}(c) the contract of insurance insures against risks arising from or in relation to either or both—
 - (i) credit,
 - (ii) suretyship.]
- (3) For the purposes of this paragraph a relevant financial facility is—
- (a) the making of an advance;
 - (b) the issue of a letter of credit or acceptance of a bill of exchange;
 - (c) the giving of a guarantee or bond; or
 - (d) any other similar transaction entered into in order to provide a customer with the means to pay, or a supplier with the right to call upon a third party for, the consideration for goods or services.

Textual Amendments

F649 Words in Sch. 7A para. 15(2)(b) omitted (1.1.1997) by virtue of [S.I. 1996/2955](#), [art. 2](#)

F650 Sch. 7A para. 15(2)(c) substituted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1, 346\(11\)](#)

PART II

INTERPRETATION

- 16 (1) This Part of this Schedule applies for the purposes of Part I of this Schedule.
- (2) A relevant supply of goods is any supply of goods where the supply is to be made outside the United Kingdom or where the goods are to be exported from the United Kingdom.
- (3) An overseas customer, in relation to a supply of goods or services, is a person who—
- (a) does not have any business establishment in the United Kingdom but has such an establishment elsewhere;
 - (b) has such establishments both in the United Kingdom and elsewhere, provided that the establishment at which, or for the purposes of which, the goods or services which are to be supplied to him are most directly to be used is not in the United Kingdom; or

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- (c) has no such establishment in any place and does not have his usual place of residence in the United Kingdom.

- [^{F651}16A Paragraphs 2, 4, 5, 7, [^{F652}7A,] 8, 9, 10, 11 and 15 must be read with—
- (a) section 22 of the Financial Services and Markets Act 2000;
 - (b) any relevant order under that section; and
 - (c) Schedule 2 to that Act.]

Textual Amendments

F651 Sch. 7A para. 16A inserted (1.12.2001) by [S.I. 2001/3649](#), [arts. 1](#), 346(12)

F652 Word in [Sch. 7A para. 16A](#) inserted (1.12.2014) by [The Insurance Premium Tax \(Non-taxable Insurance Contracts\) Order 2014 \(S.I. 2014/2856\)](#), [arts. 1](#), 3

SCHEDULE 8

Section 77.

SUPPLEMENTAL PROVISIONS RELATING TO PERSONAL RELIEFS

The Taxes Act 1988

- 1 In section 257A(6) of the Taxes Act 1988 (relief confined to one deduction), for “deduction” there shall be substituted “ income tax reduction ”.
- 2 (1) In subsections (1) and (2) of section 257BA of that Act (elections as to transfer of relief under section 257A)—
- (a) for the words “to deduct from her total income”, in each place where they occur, there shall be substituted “ to an income tax reduction calculated by reference to ”; and
 - (b) for the words “that he is entitled to deduct under section 257A”, in each place where they occur, there shall be substituted “ by reference to which the calculation of the income tax reduction to which he is entitled under section 257A is to be made ”.
- (2) In subsection (3) of that section—
- (a) for “to deduct from his total income” there shall be substituted “ to an income tax reduction calculated by reference to ”;
 - (b) for “the amount, if any, that he is already entitled to deduct” there shall be substituted “ any income tax reduction to which he is already entitled ”; and
 - (c) for “that she is entitled to deduct by virtue of that election” there shall be substituted “ by reference to which the calculation of the income tax reduction to which she is entitled by virtue of that election is to be made ”.
- (3) Any election made for the purposes of section 257BA of the Taxes Act 1988 which—
- (a) has been made before the coming into force of this paragraph, and
 - (b) apart from this paragraph, would have effect in accordance with that section for the year 1994-95 or any subsequent year,
- shall so have effect as if it were an election for the purposes of that section as amended by this paragraph.

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- 3 (1) In subsection (1) of section 257BB of that Act (transfer of relief where it is not all used), for paragraph (b) and the words after that paragraph there shall be substituted—

“(b) the amount of the reduction to which he is entitled is determined in accordance with section 256(2)(b) or, by virtue of his having no income tax liability to which that reduction is applicable, is nil,

his wife shall be entitled (in addition to any reduction to which she is entitled by virtue of an election under section 257BA) to an income tax reduction calculated by reference to an amount equal to the unused part of the amount by reference to which her husband’s income tax reduction fell to be calculated in pursuance of section 257A and any election under section 257BA. ”

- (2) In subsection (3) of that section, for paragraph (b) and the words after that paragraph there shall be substituted—

“(b) the amount of the reduction to which she is entitled is determined in accordance with section 256(2)(b) or, by virtue of her having no income tax liability to which that reduction is applicable, is nil,

her husband shall be entitled (in addition to any other reduction to which he is entitled by virtue of section 257A) to an income tax reduction calculated by reference to an amount equal to the unused part of the amount by reference to which his wife’s income tax reduction fell to be calculated in pursuance of that election. ”

^{F653}(3)

- (4) Subsection (6) of that section (calculation of amount left after deductions of a person’s total income) shall cease to have effect.

Textual Amendments

F653 Sch. 8 para. 3(3) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

^{F654}4

Textual Amendments

F654 Sch. 8 para. 4 repealed (27.7.1999 with effect as mentioned in Note 2 to Sch. 20 Pt. III(3) of the repealing Act) by [1999 c. 16, s. 139](#), [Sch. 20 Pt. III\(3\)](#)

^{F655}5

Textual Amendments

F655 Sch 8 para. 5 repealed (27.7.1999 with effect as mentioned in Note 2 to Sch. 20 Pt. III(3) of the repealing Act) by [1999 c. 16, s. 139](#), [Sch. 20 Pt. III\(3\)](#)

^{F656}6

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Textual Amendments

F656 Sch. 8 para. 6 repealed (27.7.1999 with effect as mentioned in the Note to Sch. 20 Pt. III(4) of the repealing Act) by 1999 c. 16, s. 139, [Sch. 20 Pt. III\(4\)](#)

F657 7

Textual Amendments

F657 Sch. 8 para. 7 repealed (27.7.1999 with effect as mentioned in the Note to Sch. 20 Pt. III(4) of the repealing Act) by 1999 c. 16, s. 139, [Sch. 20 Pt. III\(4\)](#) Note

F658 8

Textual Amendments

F658 Sch. 8 para. 8 repealed (27.7.1999 with effect as mentioned in the Note to Sch. 20 Pt. III(4) of the repealing Act) by 1999 c. 16, s. 139, [Sch. 20 Pt. III\(4\)](#)

F659 9

Textual Amendments

F659 Sch. 8 para. 9 repealed (27.7.1999 with effect as mentioned in Note 2 to Sch. 20 Pt. III(5) of the repealing Act) by 1999 c. 16, s. 139, [Sch. 20 Pt. III\(5\)](#)

F660 10

Textual Amendments

F660 Sch. 8 para. 10 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F661 11

Textual Amendments

F661 Sch. 8 para. 11 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F662 12

Textual Amendments

F662 [Sch. 8 para. 12](#) repealed (1.4.2010) (with effect in accordance with s. 381(1) of the amending Act) by [Taxation \(International and Other Provisions\) Act 2010 \(c. 8\)](#), s. 381(1), [Sch. 10 Pt. 1](#) (with [Sch. 9](#) paras. 1-9, 22)

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The Taxes Management Act 1970 (c. 9)

- 13 In section 37A of the Taxes Management Act 1970 (effect of assessment where allowances transferred)—
- (a) after the word “person’s”, in the first place where it occurs, there shall be inserted “ liability to income tax or ”;
 - (b) for the words from “any deduction made” to “spouse” there shall be substituted “ any income tax reduction or deduction from total income made in the case of that person’s spouse ”; and
 - (c) for the words from “and where” onwards there shall be substituted “ and the entitlement in that case of the first-mentioned person for the year in question to any income tax reduction or deduction from total income shall be treated as correspondingly reduced. ”

SCHEDULE 9 Section 81.

MORTGAGE INTEREST RELIEF ETC.

The Taxes Act 1988

F663₁

Textual Amendments

F663 Sch. 9 para. 1 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\), s. 883\(1\), Sch. 3](#) (with [Sch. 2](#))

F664₂

Textual Amendments

F664 Sch. 9 para. 2 repealed (31.7.1997 with effect as mentioned in Note 3 to Sch. 8 Pt. II(9) of the repealing Act) by [1997 c. 58, s. 52, Sch. 8 Pt. II\(9\)](#) (with [s. 3\(3\)](#))

- 3 Subsections (4) and (5) of section 353 of the Taxes Act 1988 (restriction of relief to basic rate tax) shall cease to have effect.

F665₄

Textual Amendments

F665 Sch. 9 para. 4 repealed (the repeal coming into force in accordance with s. 42(3)-(5) of the repealing Act) by [1995 c. 4, s. 162, Sch. 29 Pt. VIII\(2\)](#), Note (with Sch. 8 paras. 55(2), 57(1))

F666₅

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Textual Amendments

F666 Sch. 9 para. 5 repealed (the repeal coming into force in accordance with s. 42(3)-(5) of the repealing Act) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII(2)**, Note (with Sch. 8 paras. 55(2), 57(1))

F667 6

Textual Amendments

F667 Sch. 9 para. 6 repealed (the repeal coming into force in accordance with s. 42(3)-(5) of the repealing Act) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII(2)**, Note (with Sch. 8 paras. 55(2), 57(1))

7 **F668**(1)

F669(2)

F669(3)

F669(4)

Textual Amendments

F668 Sch. 9 para. 7(1) repealed (27.7.1999 with effect as mentioned in Note 4 to Sch. 20 Pt. III(7) of the repealing Act) by 1999 c. 16, s. 139, **Sch. 20 Pt. III(7)**

F669 Sch. 9 para. 7(2)-(4) repealed (the repeal coming into force in accordance with s. 42(3)-(5) of the repealing Act) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII(2)**, Note (with Sch. 8 paras. 55(2), 57(1))

F670 8

Textual Amendments

F670 Sch. 9 para. 8 repealed (the repeal coming into force in accordance with s. 42(3)-(5) of the repealing Act) by 1995 c. 4, s. 162, **Sch. 29 Pt. VIII(2)**, Note (with Sch. 8 paras. 55(2), 57(1))

F671 9

Textual Amendments

F671 Sch. 9 para. 9 repealed (6.4.2007) by **Income Tax Act 2007 (c. 3)**, s. 1034(1), **Sch. 3 Pt. 1** (with Sch. 2)

10 (1) In subsection (2) of section 370 of the Taxes Act 1988 (conditions for interest to be treated as relevant loan interest)—

- (a) after “section 353(2)” there shall be inserted “ and any other provision applying to interest falling to be treated as relevant loan interest ”; and
- (b) for “from section 74(o) and, where applicable,” there shall be substituted “ (where applicable) from ”.

F672(2)

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Textual Amendments

F672 Sch. 9 para. 10(2) repealed (27.7.1999 with effect as mentioned in Note 4 to Sch. 20 Pt. III(7) of the repealing Act) by 1999 c. 16, s. 139, **Sch. 20 Pt. III(7)**

- 11 In section 375(3) of the Taxes Act 1988 (liability of borrower for excess where deduction should not have been made), for the words from “entitles” to “been allowed” there shall be substituted “ 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 ”.

The Finance Act 1993 (c. 34)

- 12 Subsection (7) of section 57 of the Finance Act 1993 (transitional provision for bridging loans made before 6th April 1991) shall cease to have effect.

F673 SCHEDULE 10

Section 83.

Textual Amendments

F673 Sch. 10 repealed (31.7.1997 with effect as mentioned in the Note to Sch. 8 Pt. II(2) of the repealing Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(2)** (with s. 3(3))

SCHEDULE 11

Section 91.

EXTENSION OF ROLL-OVER RELIEF ON RE-INVESTMENT

- 1 Chapter IA of Part V of the ^{M98}Taxation of Chargeable Gains Act 1992 shall be amended as follows.

Marginal Citations

M98 1992 c. 12.

Disposals on which relief available

- 2 In section 164A—
- (a) in subsection (1)(a), for the words following “(“the re-investor”)” there is substituted “ on any disposal by him of any asset (“the asset disposed of”); and ”,
 - (b) in subsection (2), “Subject to section 164C” is omitted and for “initial holding” (in three places) there is substituted “ asset disposed of ”,
 - (c) subsections (3) to (7) are omitted,

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(d) in subsection (9), for “initial holding” there is substituted “ asset disposed of”, and

(e) for subsection (12) there is substituted—

“(12) Without prejudice to section 52(4), where consideration is given for the acquisition of any assets some of which are shares to the acquisition of which a claim under this section relates and some of which are not, the consideration shall be apportioned in such manner as is just and reasonable”.

3 For section 164B there is substituted—

“164B Roll-over relief on re-investment by trustees.

(1) Subject to the following provisions of this section, section 164A shall apply, as it applies in such a case as is mentioned in subsection (1) of that section, where there is—

- (a) a disposal by the trustees of a settlement of any asset comprised in any settled property to which this section applies, and
- (b) such an acquisition by those trustees of eligible shares in a qualifying company as would for the purposes of that section be an acquisition of a qualifying investment at a time in the qualifying period.

(2) This section applies—

- (a) to any settled property in which the interests of the beneficiaries are not interests in possession, if all the beneficiaries are individuals, and
- (b) to any settled property in which the interests of the beneficiaries are interests in possession, if any of the beneficiaries are individuals,

and references in this section to individuals include any charity.

(3) If, at the time of the disposal of the asset mentioned in subsection (1) (a) above, the settled property comprising that asset is property to which this section applies by virtue of subsection (2)(b) above but not all the beneficiaries are individuals, then—

- (a) only the relevant proportion of the gain which would accrue to the trustees on the disposal shall be taken into account for the purposes of section 164A(2)(a)(i), and
- (b) no reduction under section 164A(2) shall be made in respect of the whole or any part of the balance of the gain.

(4) Section 164A shall not apply by virtue of this section in a case where, at the time of the disposal of the asset mentioned in subsection (1)(a) above, the settled property which comprises that asset is property to which this section applies by virtue of subsection (2)(a) above unless, immediately after the acquisition of shares mentioned in subsection (1)(b) above, the settled property comprising the shares is also property to which this section applies by virtue of subsection (2)(a) above.

(5) Section 164A shall not apply by virtue of this section in a case where, at the time of the disposal of the asset mentioned in subsection (1)(a) above, the settled property which comprises that asset is property to which this section

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applies by virtue of subsection (2)(b) above unless, immediately after the acquisition of shares mentioned in subsection (1)(b) above—

- (a) the settled property comprising the shares is also property to which this section applies by virtue of subsection (2)(b) above, and
 - (b) if not all the beneficiaries are individuals, the relevant proportion is not less than the proportion which was the relevant proportion at the time of the disposal of the asset mentioned in subsection (1)(a) above.
- (6) If, at any time, in the case of settled property to which this section applies by virtue of subsection (2)(b) above, both individuals and others have interests in possession, the relevant proportion at that time is the proportion which the amount specified in paragraph (a) below bears to the amount specified in paragraph (b) below, that is—
- (a) the total amount of the income of the settled property, being income the interests in which are held by beneficiaries who are individuals, and
 - (b) the total amount of all the income of the settled property.
- (7) Where, in the case of any settled property in which any beneficiary holds an interest in possession, one or more beneficiaries (“the relevant beneficiaries”) hold interests not in possession, this section shall apply as if—
- (a) the interests of the relevant beneficiaries were a single interest in possession, and
 - (b) that interest were held, where all the relevant beneficiaries are individuals, by an individual and, in any other case, by a person who is not an individual.
- (8) In this section references to interests in possession do not include interests for a fixed term.”

4 Sections 164C to 164E are omitted.

5 In section 164H(1), “within the meaning of section 164C” is omitted.

6 In section 164L(10), for the words following “trustees or” there is substituted “any individual or charity by virtue of whose interest, at the time of the acquisition, section 164B applies to the settled property”.

Acquisitions on which relief available

7 For section 164A(8) there is substituted—

- “(8) For the purposes of this section, a person who acquires any eligible shares in a qualifying company shall be regarded as acquiring a qualifying investment unless, where the asset disposed of consisted of shares in or other securities of any company (“the initial holding”), the qualifying company—
- (a) is the company in which the initial holding subsisted, or
 - (b) is a company that was, at the time of the disposal of the initial holding, or is, at the time of the acquisition of the qualifying investment, a member of the same group of companies as the company in which the initial holding subsisted.”

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Retirement relief

8 Section 164A(11) is omitted and after section 164B there is inserted—

“164BA Interaction with retirement relief

- (1) The provisions of section 164A for making any reduction shall apply before any provisions for calculating the amount of, or giving effect to, any relief under section 163 or 164; and references in that section and this to a chargeable gain (except the second reference in subsection (4)(a) below) shall be construed accordingly.
- (2) Subsection (3) below applies where—
 - (a) any claim for relief is made under section 164A in respect of any chargeable gain, and
 - (b) apart from this Chapter, the whole or any part of that gain would be relieved under section 163 or 164.
- (3) For the purpose of giving relief under section 163 or 164, any reduction under section 164A shall be treated as having been made first against the unrelieved part of the chargeable gain; and only the amount (if any) which is equal to the unrelieved part of the chargeable gain after that reduction shall be treated as exceeding the amount available for relief.
- (4) For the purposes of this section—
 - (a) the unrelieved part of a chargeable gain is so much of that gain as, apart from this Chapter, would constitute a chargeable gain after the application of the appropriate paragraph of Schedule 6,
 - (b) “amount available for relief” has the same meaning as in the appropriate paragraph of that Schedule, and
 - (c) the “appropriate paragraph” means, as the case may be, paragraph 6, 7(1)(b) or 8(1)(b).”

Clawback

9 (1) In section 164F—

(a) for subsection (1) there is substituted—

“(1) This section shall apply where a person has acquired any eligible shares in a qualifying company (“the acquired holding”) for a consideration which is treated as reduced, under section 164A or this section, by any amount (“the held-over gain”),

(b) in subsection (3), for the words from “either” to the end of paragraph (b) there is substituted “charged on any disposal or under this section”,

(c) for subsection (4) there is substituted—

“(4) For the purposes of this section the whole or a part of any held-over gain on the acquisition of the acquired holding shall be treated—

(a) in accordance with subsection (4A) below as charged on any disposal in relation to which the whole or any part of the held-over gain falls to be taken into account in determining the chargeable gain or allowable loss accruing on the disposal, and

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- (b) as charged under this section so far as it falls to be disregarded in accordance with subsection (11) below.
- (4A) In the case of any such disposal as is mentioned in subsection (4)(a) above, the amount of the held-over gain charged on that disposal—
 - (a) shall, except in the case of a part disposal, be the amount taken into account as so mentioned, and
 - (b) in the case of a part disposal, shall be calculated by multiplying the following, that is to say—
 - (i) so much of the amount of the held-over gain as has not already been charged on a previous disposal, and
 - (ii) the fraction used in accordance with section 42(2) for determining, subject to any deductions in pursuance of this Chapter, the amount allowable as a deduction in the computation of the gain accruing on the disposal in question”,
- (d) in subsection (5)—
 - (i) in paragraph (a) “or 164D” is omitted, and
 - (ii) in paragraph (c), for the words from “section 164D(4)” to the end there is substituted “subsections (4) and (4A) above”,
- (e) in subsection (10), “(within the meaning of section 164D)” is omitted, and
- (f) after that subsection there is inserted—

“(10A) Where (apart from this subsection) a chargeable gain of any amount would by virtue of subsection (2) above accrue to the person who acquired the acquired holding but, within the period mentioned in subsection (10B) below, that person acquires a qualifying investment (within the meaning of section 164A), that person shall, on making a claim as respects the qualifying investment, be treated—

 - (a) as if the amount of the gain were reduced by whichever is the smallest of the following—
 - (i) the actual amount or value of the consideration for the acquisition of the qualifying investment,
 - (ii) in the case of a qualifying investment acquired otherwise than by a transaction at arm’s length, the market value of that investment at the time of its acquisition,
 - (iii) the amount specified for the purposes of this subsection in the claim, and
 - (b) as if the amount or value of the consideration for the acquisition of the qualifying investment were reduced by the amount of the reduction made under paragraph (a) above;

but paragraph (b) above shall not affect the treatment for the purposes of this Act of the other party to the transaction involving the qualifying investment.
- (10B) The period referred to in subsection (10A) above is the period (not including any period before the acquisition of the acquired holding)

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which begins 12 months before and ends 3 years after the time when the chargeable gain accrues or would but for that subsection accrue, together with any such further period after the disposal as the Board may by notice allow.”

- (2) Section 164F as amended by sub-paragraph (1) above shall have effect as follows—
- (a) the reference in subsection (1) to consideration treated as reduced under section 164A includes consideration treated as reduced under section 164D,
 - (b) the reference in subsection (3) to a gain having been charged on any disposal includes any gain having been carried forward from any disposal of shares, and
 - (c) the amounts referred to in subsection (4A)(a) and (b)(i) shall be treated as reduced by any amounts carried forward from any disposal of shares.
- (3) References in sub-paragraph (2) above to an amount being carried forward from a disposal of shares are references to the reduction by that amount, in accordance with section 164D(3)(a), of the amount of the consideration for the disposal of those shares.

Anti-avoidance

10 In section 164L—

- (a) after subsection (10) there is inserted—

“(10A) For the purposes of this Chapter, where—

- (a) a person has acquired any eligible shares in a qualifying company (“the acquired holding”) for a consideration which is treated as reduced under this Chapter by any amount (“the held-over gain”), and
- (b) after that acquisition, he acquires eligible shares in a relevant company,

he shall not be regarded in relation to his acquisition of those shares in the relevant company as acquiring a qualifying investment for the purposes of section 164A.

(10B) For the purposes of subsection (10A) above a company is a relevant company if—

- (a) where that person has disposed of any of the acquired holding, it is the company in which the acquired holding has subsisted or a company which was a member of the same group of companies as that company at any time since the acquisition of the acquired holding,
 - (b) it is a company in relation to the disposal of any shares in which there has been a claim under this Chapter such that, without that or an equivalent claim, there would have been no held-over gain in relation to the acquired holding, or
 - (c) it is a company which, at the time of the disposal or acquisition to which the claim relates, was a member of the same group of companies as a company falling within paragraph (b) above”, and
- (b) in subsection (11), for the definition of “chargeable business assets” there is substituted—

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““chargeable business asset”, in relation to any company, means a chargeable asset (including goodwill but not including shares or securities or other assets held as investments) which is, or is an interest in, an asset used for the purposes of a trade, profession, vocation, office or employment carried on by—

- (a) the individual acquiring the shares,
- (b) any personal company of that individual,
- (c) a member of a trading group of which the holding company is a personal company of that individual, or
- (d) a partnership of which that individual is a member”.

Miscellaneous

11 In section 164N, after subsection (1) there is inserted—

“(1A) Every asset of a company is for the purposes of this Chapter a chargeable asset of that company at any time, except one on the disposal of which by the company at that time no gain accruing to the company would be a chargeable gain”.

SCHEDULE 12

Section 93.

INDEXATION LOSSES: TRANSITIONAL RELIEF

Introductory

1 This Schedule applies in relation to chargeable gains and allowable losses accruing to—

- (a) an individual, or
 - (b) the trustees of a settlement made before 30th November 1993;
- (referred to in this Schedule as “the taxpayer”).

2 (1) This paragraph applies for the purposes of this Schedule, and the determinations required by this paragraph to be made shall be made without regard to paragraphs 4 to 7 below.

(2) If an allowable loss accrues on a disposal made on or after 30th November 1993 and, under the old indexation rules, a greater allowable loss would have accrued, there is an indexation loss in respect of the disposal equal to the amount by which the allowable loss which would have accrued under the old indexation rules exceeds the allowable loss accruing on the disposal.

(3) If a disposal made on or after 30th November 1993 is one on which neither a gain nor a loss accrues and, under the old indexation rules, an allowable loss would have accrued, there is an indexation loss in respect of the disposal equal to the amount of the allowable loss that would have accrued under the old indexation rules.

(4) If the total amount of chargeable gains accruing to the taxpayer in any year of assessment for which this Schedule has effect exceeds the allowable losses accruing in that year, there is a relevant gain for that year equal to the amount of the excess.

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- 3 (1) The cases in which the appropriation of an asset by the taxpayer is treated under section 161(1) of the 1992 Act (appropriations to and from stock) as a disposal of the asset include cases in which, if he had sold the asset for its market value, an allowable loss would have accrued to him under the old indexation rules.
- (2) Where, but for an election under subsection (3) of section 161 of the 1992 Act—
- (a) an asset appropriated by the taxpayer would have been treated as disposed of as mentioned in subsection (1) of that section, and
 - (b) paragraph 2(2) or (3) above would have applied on the disposal,
- paragraphs 1 and 2 above and 6 and 7 below shall apply, as if the asset had been so treated, to determine for the purposes of subsection (3) of that section any increase to be made in the amount of any allowable loss; and the appropriation of the asset is referred to below as a “relevant appropriation”.
- (3) Sections 574 to 576 of the Taxes Act (relief for individual on disposal of shares in qualifying trading company) shall apply if an individual who has subscribed for shares as mentioned in section 574(1) disposes of them in circumstances where paragraph 2(3) above applies as they apply in other cases.
- (4) Where a person makes a claim for relief under subsection (1) of section 574 in the case of a disposal in respect of which there is an indexation loss (referred to below as a “section 574 disposal”)—
- (a) paragraphs 6 and 7 below shall apply to determine any increase to be made, for the purposes of that subsection, in the amount of the allowable loss, and
 - (b) paragraphs 4 and 5 below shall apply to so much only of the indexation loss as is not relieved under that section.
- (5) References in this paragraph and paragraphs 6 and 7 below to an increase in any loss include, in circumstances where paragraph 2(3) above applies, a reference to the creation of the loss.

Capital gains tax

- 4 (1) Where in the case of any taxpayer—
- (a) there is a relevant gain for the year 1993-94,
 - (b) the relevant gain exceeds the exempt amount for that year, and
 - (c) there are indexation losses in respect of any disposals made in that year,
- then, for the purposes of the 1992 Act, the amount by which the total amount of chargeable gains accruing to the taxpayer in that year exceeds the allowable losses accruing in the year shall be reduced by the amount mentioned in sub-paragraph (2) below, and shall be so reduced before the deduction of any allowable losses carried forward from any previous year or carried back under section 62 from any subsequent year.
- (2) The amount referred to in sub-paragraph (1) above is so much of the total of indexation losses in respect of disposals made in that year as does not exceed—
- (a) £10,000, or
 - (b) the amount by which the relevant gain exceeds the exempt amount for the year,
- whichever is the smaller.
- 5 (1) Where in the case of any taxpayer—
- (a) there is a relevant gain for the year 1994-95,

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- (b) the relevant gain exceeds the exempt amount for that year, and
- (c) there are indexation losses in respect of any disposals made in that year or unused indexation losses for the previous year,

then, for the purposes of the 1992 Act, the amount by which the total amount of chargeable gains accruing to the taxpayer in the year 1994-95 exceeds the allowable losses accruing in that year shall be reduced by the amount mentioned in sub-paragraph (2) below, and shall be so reduced before the deduction of any allowable losses carried forward from any previous year or carried back under section 62 from any subsequent year.

- (2) The amount referred to in sub-paragraph (1) above is so much of the total of indexation losses in respect of disposals made in the year 1994-95, plus any unused indexation losses for the previous year, as does not exceed—

- (a) £10,000 less the aggregate of—
 - (i) the amount of any reduction made under paragraph 4(1) above for the previous year, and
 - (ii) any increase made under paragraph 6(2) below for the previous year, or
- (b) the amount by which the relevant gain exceeds the exempt amount for the year 1994-95,

whichever is the smaller.

- (3) For the purposes of this paragraph, if the total amount of indexation losses in respect of disposals made by the taxpayer in the year 1993-94 exceeds the aggregate of—

- (a) the amount of any reduction made under paragraph 4(1) above for that year, and
- (b) any increase made under paragraph 6(2) below for that year,

there are unused indexation losses for that year of an amount equal to the excess.

Income tax

- 6 (1) This paragraph applies where, at any time in the period beginning with 30th November 1993 and ending with 5th April 1994, the taxpayer makes any relevant appropriation or any section 574 disposal; and for the purposes of this paragraph there shall be determined—

- (a) the amount of any reduction for the year 1993-94 which (disregarding relevant appropriations and section 574 disposals) would be made under paragraph 4(1) above, and
- (b) the amounts of any indexation losses in respect of relevant appropriations or section 574 disposals made in that period.

- (2) If the aggregate of the amounts referred to in sub-paragraph (1)(a) and (b) above does not exceed £10,000, the amount of any allowable loss referable to such an appropriation or disposal shall be increased by any indexation loss in respect of it.

- (3) In any other case, notwithstanding anything in paragraphs 4 and 5 above—

- (a) the aggregate of—
 - (i) the amount of any reduction for the year 1993-94 to be made under paragraph 4(1) above, and

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- (ii) the amount of any indexation losses in respect of relevant appropriations or section 574 disposals made in the period referred to in sub-paragraph (1) above,
shall be equal to £10,000 and shall be allocated as the taxpayer may determine between that reduction and increases in allowable losses referable to such appropriations or disposals, and
 - (b) no reduction shall be made under paragraph 5 above or 7 below for the year 1994-95.
- 7 (1) This paragraph applies where, at any time in the year 1994-95, the taxpayer makes any relevant appropriation or any section 574 disposal; and for the purposes of this paragraph there shall be determined—
 - (a) the amount of any reduction for that year which (disregarding relevant appropriations and section 574 disposals) would be made under paragraph 5(1) above, and
 - (b) the amounts of any indexation losses in respect of relevant appropriations or section 574 disposals made in that year.
- (2) If the aggregate of the amounts referred to in sub-paragraph (1)(a) and (b) above does not exceed the limit for 1994-95, that is—
 - (a) £10,000, less
 - (b) the aggregate of the amount of any reduction made under paragraph 4(1) above for the year 1993-94 and of any increases made under paragraph 6(2) above for that year,the amount of any allowable loss referable to such an appropriation or disposal shall be increased by any indexation loss in respect of it.
- (3) In any other case, notwithstanding anything in paragraph 5 above, the aggregate of the amount of any reduction for the year 1994-95 to be made under paragraph 5(1) above and of the amount of any indexation losses in respect of relevant appropriations or section 574 disposals made in that year—
 - (a) shall be equal to the limit for 1994-95, and
 - (b) shall be allocated as the taxpayer may determine between that reduction and increases in allowable losses referable to such appropriations or disposals.

Supplementary

- 8 (1) In this Schedule—
 - “the 1992 Act” means the ^{M99}Taxation of Chargeable Gains Act 1992, and
 - “the old indexation rules” means the 1992 Act as it would have effect if—
 - (a) the amendments made by subsections (1) to (5) of section 93 of this Act, and
 - (b) the repeal of section 103 (collective investment schemes, etc.) and section 111 (building societies) of the 1992 Act by subsection (7) of section 93 of this Act,had not come into force.
- (2) Other expressions not defined in this Schedule but used both in it and in the 1992 Act have the same meaning as in that Act.

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(3) References in this Schedule to the reduction of any amount include its reduction to nil.

Marginal Citations

M99 1992 c. 12.

SCHEDULE 13

Section 102.

EMPLOYEE SHARE OWNERSHIP TRUSTS

Introduction

1 The Finance Act 1989 shall be amended as provided in this Schedule.

Trustees

2 In Schedule 5, in paragraph 3 (trustees) the following sub-paragraph shall be inserted after sub-paragraph (4)—

“(5) This paragraph applies in relation to trusts established on or before the day on which the Finance Act 1994 was passed.”

3 In Schedule 5, the following paragraphs shall be inserted after paragraph 3—

“3A Where a trust is established after the day on which the Finance Act 1994 was passed, the trust deed must make provision as mentioned in one of paragraphs (a) to (c) below—

- (a) provision for the establishment of a body of trustees and complying with paragraph 3(2) to (4) above;
- (b) provision for the establishment of a body of trustees and complying with paragraph 3B(2) to (9) below;
- (c) provision that at any time while the trust subsists there must be a single trustee.

3B (1) The following are the provisions that must be complied with under paragraph 3A(b) above.

- (2) The trust deed must—
- (a) appoint the initial trustees;
 - (b) contain rules for the retirement and removal of trustees;
 - (c) contain rules for the appointment of replacement and additional trustees.

(3) The trust deed must be so framed that at any time while the trust subsists the conditions set out in sub-paragraph (4) below are fulfilled as regards the persons who are then trustees; and in that sub-paragraph “the relevant time” means that time.

- (4) The conditions are that—
- (a) the number of trustees is not less than three;

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- (b) all the trustees are resident in the United Kingdom;
 - (c) the trustees include at least one person who is a professional trustee and at least two persons who are non-professional trustees;
 - (d) at least half of the non-professional trustees were, before being appointed as trustees, selected in accordance with sub-paragraph (7) or (8) below;
 - (e) all the trustees so selected are persons who are employees of companies which fall within the founding company's group at the relevant time, and who do not have and have never had a material interest in any such company.
- (5) For the purposes of this paragraph a trustee is a professional trustee at a particular time if—
 - (a) the trustee is then a trust corporation, a solicitor, or a member of such other professional body as the Board may at that time allow for the purposes of this sub-paragraph,
 - (b) the trustee is not then an employee or director of any company then falling within the founding company's group, and
 - (c) the trustee meets the requirements of sub-paragraph (6) below;and for the purposes of this paragraph a trustee is a non-professional trustee at a particular time if the trustee is not then a professional trustee for those purposes.
- (6) A trustee meets the requirements of this sub-paragraph if—
 - (a) he was appointed as an initial trustee and, before being appointed as trustee, was selected by (and only by) the persons who later became the non-professional initial trustees, or
 - (b) he was appointed as a replacement or additional trustee and, before being appointed as trustee, was selected by (and only by) the persons who were the non-professional trustees at the time of the selection.
- (7) Trustees are selected in accordance with this sub-paragraph if the process of selection is one under which—
 - (a) all the persons who are employees of the companies which fall within the founding company's group at the time of the selection, and who do not have and have never had a material interest in any such company, are (so far as is reasonably practicable) given the opportunity to stand for selection,
 - (b) all the employees of the companies falling within the founding company's group at the time of the selection are (so far as is reasonably practicable) given the opportunity to vote, and
 - (c) persons gaining more votes are preferred to those gaining less.
- (8) Trustees are selected in accordance with this sub-paragraph if they are selected by persons elected to represent the employees of the companies falling within the founding company's group at the time of the selection.
- (9) For the purposes of this paragraph a company falls within the founding company's group at a particular time if—
 - (a) it is at that time resident in the United Kingdom, and

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- (b) it is the founding company or it is at that time controlled by the founding company.
- 3C
 - (1) This paragraph applies where the trust deed provides that at any time while the trust subsists there must be a single trustee.
 - (2) The trust deed must—
 - (a) be so framed that at any time while the trust subsists the trustee is a company which at that time is resident in the United Kingdom and controlled by the founding company;
 - (b) appoint the initial trustee;
 - (c) contain rules for the removal of any trustee and for the appointment of a replacement trustee.
 - (3) The trust deed must be so framed that at any time while the trust subsists the company which is then the trustee is a company so constituted that the conditions set out in sub-paragraph (4) below are then fulfilled as regards the persons who are then directors of the company; and in that sub-paragraph “the relevant time” is that time and “the trust company” is that company.
 - (4) The conditions are that—
 - (a) the number of directors is not less than three;
 - (b) all the directors are resident in the United Kingdom;
 - (c) the directors include at least one person who is a professional director and at least two persons who are non-professional directors;
 - (d) at least half of the non-professional directors were, before being appointed as directors, selected in accordance with sub-paragraph (7) or (8) below;
 - (e) all the directors so selected are persons who are employees of companies which fall within the founding company’s group at the relevant time, and who do not have and have never had a material interest in any such company.
 - (5) For the purposes of this paragraph a director is a professional director at a particular time if—
 - (a) the director is then a solicitor or a member of such other professional body as the Board may at that time allow for the purposes of this sub-paragraph,
 - (b) the director is not then an employee of any company then falling within the founding company’s group,
 - (c) the director is not then a director of any such company (other than the trust company), and
 - (d) the director meets the requirements of sub-paragraph (6) below;
 and for the purposes of this paragraph a director is a non-professional director at a particular time if the director is not then a professional director for those purposes.
 - (6) A director meets the requirements of this sub-paragraph if—

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- (a) he was appointed as an initial director and, before being appointed as director, was selected by (and only by) the persons who later became the non-professional initial directors, or
 - (b) he was appointed as a replacement or additional director and, before being appointed as director, was selected by (and only by) the persons who were the non-professional directors at the time of the selection.
- (7) Directors are selected in accordance with this sub-paragraph if the process of selection is one under which—
 - (a) all the persons who are employees of the companies which fall within the founding company's group at the time of the selection, and who do not have and have never had a material interest in any such company, are (so far as is reasonably practicable) given the opportunity to stand for selection,
 - (b) all the employees of the companies falling within the founding company's group at the time of the selection are (so far as is reasonably practicable) given the opportunity to vote, and
 - (c) persons gaining more votes are preferred to those gaining less.
- (8) Directors are selected in accordance with this sub-paragraph if they are selected by persons elected to represent the employees of the companies falling within the founding company's group at the time of the selection.
- (9) For the purposes of this paragraph a company falls within the founding company's group at a particular time if—
 - (a) it is at that time resident in the United Kingdom, and
 - (b) it is the founding company or it is at that time controlled by the founding company."
- 4 In Schedule 5, the following shall be inserted at the end of paragraph 12 (position after trust's establishment)— " This paragraph applies in relation to trusts established on or before the day on which the Finance Act 1994 was passed. "
- 5 In Schedule 5, the following paragraph shall be inserted after paragraph 12—

"12A (1) Subject to sub-paragraphs (2) and (3) below, a trust which was at the time it was established a qualifying employee share ownership trust shall continue to be one.

 - (2) If the trust deed makes provision under paragraph 3A(a) above, the trust shall not be a qualifying employee share ownership trust at any time when the requirements mentioned in paragraph 3(3)(a) to (f) above are not satisfied.
 - (3) If the trust deed makes provision under paragraph 3A(b) above, the trust shall not be a qualifying employee share ownership trust at any time when the conditions mentioned in paragraph 3B(4)(a) to (e) above are not satisfied.
 - (4) If the trust deed makes provision under paragraph 3A(c) above, the trust shall not be a qualifying employee share ownership trust at any time when—
 - (a) there is not a single trustee,

Changes to legislation: *Finance Act 1994 is up to date with all changes known to be in force on or before 23 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*

- (b) the trustee is not a company which is resident in the United Kingdom and controlled by the founding company, or
- (c) the conditions mentioned in paragraph 3C(4)(a) to (e) above are not satisfied as regards the directors of the trustee.

(5) This paragraph applies in relation to trusts established after the day on which the Finance Act 1994 was passed.”

Securities

- 6 (1) Section 69 (chargeable events) shall be amended as follows.
- (2) In subsection (1)(c) (retention of securities at expiry of seven years from acquisition) for “period of seven years” there shall be substituted “qualifying period”.
- (3) After subsection (4) there shall be inserted—
- “(4A) For the purposes of subsection (1)(c) above the qualifying period is—
- (a) seven years, in the case of trusts established on or before the day on which the Finance Act 1994 was passed;
 - (b) twenty years, in the case of other trusts;
- and for this purpose a trust is established when the deed under which it is established is executed.”
- 7 (1) Paragraph 9 of Schedule 5 (transfer of securities) shall be amended as follows.
- (2) In sub-paragraph (1)(b) for “period of seven years” there shall be substituted “qualifying period”.
- (3) After sub-paragraph (2) there shall be inserted—
- “(2A) For the purposes of sub-paragraph (1) above the qualifying period is—
- (a) seven years, in the case of trusts established on or before the day on which the Finance Act 1994 was passed;
 - (b) twenty years, in the case of other trusts.”

Interpretation

- 8 In Schedule 5, the following paragraph shall be inserted after paragraph 16—
- “17 For the purposes of this Schedule a trust is established when the deed under which it is established is executed.”

SCHEDULE 14

Section 112.

DISTRIBUTIONS OF AUTHORISED UNIT TRUSTS

- 1 Chapter III of Part XII of the Taxes Act 1988 shall be amended in accordance with paragraphs 2 to 5 of this Schedule.

The new sections

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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 Sch. 14 para. 2 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), Sch. 1 Pt. 10 Group 1

Other amendments

F675₃

Textual Amendments

F675 Sch. 14 para. 3 repealed (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

F676₄

Textual Amendments

F676 Sch. 14 para. 4 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), Sch. 1 Pt. 10 Group 1

F677₅

Textual Amendments

F677 Sch. 14 para. 5 repealed (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by Corporation Tax Act 2009 (c. 4), s. 1329(1), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2)

F678₆

Textual Amendments

F678 Sch. 14 para. 6 repealed (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by Corporation Tax Act 2010 (c. 4), s. 1184(1), Sch. 3 Pt. 1 (with Sch. 2)

Commencement

- 7 (1) Subject to sub-paragraph (2) below, this Schedule shall have effect in relation to distribution periods beginning on or after 1st April 1994.
- (2) Nothing in the amendments made by this Schedule shall be taken to permit—
- (a) the total amount shown in the distribution accounts for a distribution period of an authorised unit trust, or
 - (b) a part of that total amount,
- to be shown as available for distribution as foreign income dividends unless the distribution date for that distribution period is 1st July 1994 or a subsequent date.

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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 15

Section 137.

ENTERPRISE INVESTMENT SCHEME

Amendments of the Taxes Act 1988

F679¹

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007](#) (c. 3), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679²

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007](#) (c. 3), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679³

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007](#) (c. 3), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679⁴

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007](#) (c. 3), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679⁵

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007](#) (c. 3), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679⁶

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007](#) (c. 3), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679⁷

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679⁸

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679⁹

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679¹⁰

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679¹¹

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679¹²

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679¹³

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F679¹⁴

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F67915

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F67916

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F67917

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F67918

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F67919

Textual Amendments
F679 Sch. 15 paras. 1-19 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F68020

Textual Amendments
F680 Sch. 15 para. 20 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

F68121

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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
F681 Sch. 15 paras. 21-27 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F68122

Textual Amendments
F681 Sch. 15 paras. 21-27 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F68123

Textual Amendments
F681 Sch. 15 paras. 21-27 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F68124

Textual Amendments
F681 Sch. 15 paras. 21-27 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F68125

Textual Amendments
F681 Sch. 15 paras. 21-27 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F68126

Textual Amendments
F681 Sch. 15 paras. 21-27 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

F68127

Textual Amendments
F681 Sch. 15 paras. 21-27 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 2** (with [Sch. 2](#))

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

Amendments of the Taxation of Chargeable Gains Act 1992

28 The ^{M100}Taxation of Chargeable Gains Act 1992 shall be amended as follows:

Marginal Citations

M100 1992 c. 12.

29 In section 150 (business expansion schemes), at the end of subsection (1) there is inserted “ and references in this section to Chapter III of Part VII of the Taxes Act or any provision of that Chapter are to that Chapter or provision as it applies in relation to shares issued before 1st January 1994 ”.

30 After that section there is inserted—

“150A Enterprise investment scheme.

(1) For the purpose of determining the gain or loss on any disposal of eligible shares by an individual where—

- (a) an amount of relief is attributable to the shares, and
- (b) apart from this subsection there would be a loss,

the consideration given by him for the shares shall be treated as reduced by the amount of the relief.

(2) Subject to subsection (3) below, if on any disposal of eligible shares by an individual after the end of the period referred to in section 312(1A)(a) of the Taxes Act where an amount of relief is attributable to the shares, there would (apart from this subsection) be a gain, the gain shall not be a chargeable gain.

(3) Where—

- (a) an individual’s liability to income tax has been reduced (or treated by virtue of section 304 of the Taxes Act (husband and wife) as reduced) for any year of assessment under section 289A of that Act in respect of any issue of shares, and
- (b) the amount of the reduction (“A”) is less than the amount (“B”) which is equal to tax at the lower rate for that year on the amount subscribed for the issue,

then, if there is a disposal of the shares on which there is a gain, subsection (2) above shall apply only to so much of the gain as is found by multiplying it by the fraction—

$$\frac{A}{B}$$

(4) Any question as to—

- (a) which of any shares issued to a person at different times a disposal relates, being shares to which relief is attributable, or
- (b) whether a disposal relates to shares to which relief is attributable or to other shares,

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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](#)

shall for the purposes of capital gains tax be determined as for the purposes of section 299 of the Taxes Act; and Chapter I of this Part shall have effect subject to the foregoing provisions of this subsection.

(5) Sections 104, 105 and 107 shall not apply to shares to which relief is attributable.

(6) Where—

- (a) an individual holds shares which form part of the ordinary share capital of a company, and
- (b) relief is attributable to some of the shares but not others,

then, if there is within the meaning of section 126 a reorganisation affecting those shares, section 127 shall apply (subject to the following provisions of this section) separately to the shares to which relief is attributable and to the other shares (so that shares of each kind are treated as a separate holding of original shares and identified with a separate new holding).

(7) Where—

- (a) an individual holds shares (“the existing holding”) which form part of the ordinary share capital of a company,
- (b) there is, by virtue of any such allotment for payment as is mentioned in section 126(2)(a), a reorganisation affecting the existing holding, and
- (c) immediately following the reorganisation, relief is attributable to the existing holding or the allotted shares,

sections 127 to 130 shall not apply in relation to the existing holding.

(8) Sections 135 and 136 shall not apply in respect of shares to which relief is attributable.

(9) Where the relief attributable to any shares is reduced by virtue of section 305(2) of the Taxes Act—

- (a) the sums allowable as deductions from the consideration in the computation, for the purposes of capital gains tax, of the gain or loss accruing to an individual on the disposal of any of the allotted shares or debentures shall be taken to include the amount of the reduction apportioned between the allotted shares or (as the case may be) debentures in such a way as appears to the inspector, or on appeal to the Commissioners concerned, to be just and reasonable, and
- (b) the sums so allowable on the disposal (in circumstances in which the preceding provisions of this section do not apply) of any of the shares referred to in section 305(1)(a) shall be taken to be reduced by the amount mentioned in paragraph (a) above, similarly apportioned between those shares.

(10) There shall be made all such adjustments of capital gains tax, whether by way of assessment or by way of discharge or repayment of tax, as may be required in consequence of the relief being given or withdrawn.

(11) Chapter III of Part VII of the Taxes Act (enterprise investment scheme) applies for the purposes of this section to determine whether relief is

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

attributable to any shares and, if so, the amount of relief so attributable; and “eligible shares” has the same meaning as in that Chapter.

(12) References in this section to Chapter III of Part VII of the Taxes Act or any provision of that Chapter are to that Chapter or provision as it applies in relation to shares issued on or after 1st January 1994”.

31 At the end of section 164M of that Act (exclusion of double relief) there is inserted “ but the reference in this section to that Chapter is to that Chapter as it applies in relation to shares issued before 1st January 1994 ”.

32 (1) After that section there is inserted—

“164MA Exclusion of double relief

If a person makes a claim for relief under Chapter III of Part VII of the Taxes Act (enterprise investment scheme) in respect of any shares, those shares shall not be, or be treated as ever having been, eligible shares”.

(2) This paragraph has effect in relation to shares issued on or after 1st January 1994.

33 In section 164N(1), in the definition of “eligible shares”, for “and 164M” there is substituted “ 164M and 164MA ”.

34 In section 231(1)(d), “(business expansion scheme)” is omitted.

SCHEDULE 16

Section 138.

FOREIGN INCOME DIVIDENDS

PART I

THE NEW CHAPTER

F682₁

Textual Amendments

F682 Sch. 16 para. 1 repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(11)**, Note (with s. 3(3))

PART II

LIABILITY FOR AND COLLECTION OF ADVANCE CORPORATION TAX

F683₂

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F683 Sch. 16 para. 2 repealed (31.7.1998 with effect in accordance with Sch. 3 of the repealing Act) by 1998 c. 36, s. 165, **Sch. 27 Pt. III(2)**, Note

- 3 **F684**(1)
- F684**(2)
- F684**(3)
- F684**(4)
- F685**(5)
- F685**(6)
- F685**(7)
- F685**(8)
- F685**(9)
- F685**(10)
- F684**(11)
- F685**(12)
- F684**(13)

Textual Amendments

F684 Sch. 16 para. 3(1)-(4)(11)(13) repealed (31.7.1998 with effect in accordance with Sch. 3 of the repealing Act) by 1998 c. 36, s. 165, **Sch. 27 Pt. III(2)**, Note

F685 Sch. 16 para. 3(5)-(10)(12) repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(11)**, Note (with s. 3(3))

PART III

INSURANCE COMPANIES ETC.

- F686**₄

Textual Amendments

F686 Sch. 16 para. 4 repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(11)**, Note (with s. 3(3))

- 5 **F687**(1)
- F688**(2)

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

- F688(3)
- F689(4)
- F689(5)

.....

Textual Amendments
F687 Sch. 16 para. 5(1) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\), s. 3\(2\)](#), [Sch. 1 Pt. 10](#) Group 1
F688 Sch. 16 para. 5(2)(3) repealed (1.5.1995 with effect in accordance with Sch. 8 para. 57 of the repealing Act) by [1995 c. 4, s. 162](#), [Sch. 29 Pt. VIII\(5\)](#), Note 2 (with Sch. 8 paras 55(2), 57(1))
F689 Sch. 16 para. 5(4)(5) repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by [1997 c. 58, s. 52](#), [Sch. 8 Pt. II\(11\)](#), Note (with s. 3(3))

- F6906

.....

Textual Amendments
F690 Sch. 16 para. 6 repealed (31.7.1997 with effect in accordance with Sch. 3, other than para. 11, of the repealing Act) by [1997 c. 58, s. 52](#), [Sch. 8 Pt. II\(6\)](#), Note (with s. 3(3))

- F6917

.....

Textual Amendments
F691 Sch. 16 para. 7 repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by [1997 c. 58, s. 52](#), [Sch. 8 Pt. II\(11\)](#), Note (with s. 3(3))

- F6928

.....

Textual Amendments
F692 Sch. 16 para. 8 repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by [1997 c. 58, s. 52](#), [Sch. 8 Pt. II\(11\)](#), Note (with s. 3(3))

- F6939

.....

Textual Amendments
F693 Sch. 16 para. 9 repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by [1997 c. 58, s. 52](#), [Sch. 8 Pt. II\(11\)](#), Note (with s. 3(3))

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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 IV

OTHER PROVISIONS

Penalties

F69410

Textual Amendments
F694 Sch. 16 para. 10 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(g)

Small companies’ relief

F69511

Textual Amendments
F695 Sch. 16 para. 11 repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by 1997 c. 58, s. 52, Sch. 8 Pt. II(11), Note (with s. 3(3))

Expenses of management

F69612

Textual Amendments
F696 Sch. 16 para. 12 repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by 1997 c. 58, s. 52, Sch. 8 Pt. II(11), Note (with s. 3(3))

Group income

F69713

Textual Amendments
F697 Sch. 16 para. 13 repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by 1997 c. 58, s. 52, Sch. 8 Pt. II(11), Note (with s. 3(3))

Mutual business etc.

F69814

Textual Amendments
F698 Sch. 16 para. 14 repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by 1997 c. 58, s. 52, Sch. 8 Pt. II(11), Note (with s. 3(3))

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

Discretionary trusts

F69915

Textual Amendments
F699 Sch. 16 para. 15 repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(11)**, Note (with s. 3(3))

Personal representatives

F70016

Textual Amendments
F700 Sch. 16 para. 16 repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(11)**, Note (with s. 3(3))

Purchase and sale of securities

F70117

Textual Amendments
F701 Sch. 16 para. 17 omitted (21.7.2008 with effect in accordance with s. 66(8) of the amending Act) by virtue of Finance Act 2008 (c. 9), s. 66(4)(e)

Manufactured dividends

F70218

Textual Amendments
F702 Sch. 16 para. 18 repealed (19.3.1997 with effect as mentioned in Sch. 10 para. 7(1), Sch. 18 Pt. VI(10), Note 1 of the repealing Act) by 1997 c. 16, s. 113, **Sch. 18 Pt. VI(10)**; S.I. 1997/991, art. 2

F70319

Textual Amendments
F703 Sch. 16 para. 19 repealed (19.3.1997 with effect as mentioned in Sch. 10 para. 7(1), Sch. 18 Pt. VI(10), Note 1 of the repealing Act) by 1997 c. 16, s. 113, **Sch. 18 Pt. VI(10)**; S.I. 1997/991, art. 2

Interest on tax overpaid

- 20 (1) Section 826 of the Taxes Act 1988 shall be amended as follows.
- (2) In subsection (1) the following paragraph shall be inserted after paragraph (a)—

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“(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”.

F704(3)

Textual Amendments

F704 Sch. 16 para. 20(3) repealed (31.7.1998 with effect in accordance with Sch. 3 of the repealing Act) by 1998 c. 36, s. 165, [Sch. 27 Pt. III\(2\)](#), Note

SCHEDULE 17

Section 146.

MINOR CORRECTIONS

F7051

Textual Amendments

F705 Sch. 17 para. 1 repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), [Sch. 1 Pt. 10](#) Group 1

- 2 (1) Subsection (1) of section 271 of that Act shall have effect, and be deemed always to have had effect, as if—
- (a) the words “or contract”, wherever they occur, were omitted;
 - (b) in paragraph (b), the words “or the contract was made after that date” were omitted; and
 - (c) in paragraph (c), the words “or, as the case may be, the body with which the contract was made” were omitted.
- (2) Subsection (2) of that section shall have effect, and be deemed always to have had effect, as if paragraph (b) and the word “or” immediately preceding it were omitted.

F7063

Textual Amendments

F706 Sch. 17 para. 3 repealed (27.7.1999 with effect in accordance with Note 4 to the repealing Schedule) by 1999 c. 16, s. 139, [Sch. 20 Pt. III\(7\)](#)

F7074

Textual Amendments

F707 Sch. 17 para. 4 repealed (1.5.1995 with effect in accordance with Sch. 8 para. 57 of the repealing Act) by 1995 c. 4, s. 162, [Sch. 29 Pt. VIII\(5\)](#), Note 2 (with Sch. 8 paras. 55(2), 57(1))

F7085

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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 Sch. 17 para. 5 repealed (22.7.2004) (with effect in accordance with s. 77 of the amending Act) by [Finance Act 2004 \(c. 12\)](#), **Sch. 42 Pt. 2(7)**

F709⁶

Textual Amendments
F709 Sch. 17 para. 6 repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

F710⁷

Textual Amendments
F710 [Sch. 17 para. 7](#) repealed (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

8 Sections ^{F711}... 843(2) of that Act (in their application as amended by the ^{M101}Taxation of Chargeable Gains Act 1992) shall have effect, and be deemed always to have had effect, as if, in each case, for “the 1990 Act” there were substituted “the 1992 Act”.

Textual Amendments
F711 Words in [Sch. 17 para. 8](#) repealed (1.4.2010) (with effect in accordance with s. 1184(1) of the amending Act) by [Corporation Tax Act 2010 \(c. 4\)](#), s. 1184(1), **Sch. 3 Pt. 1** (with [Sch. 2](#))

Marginal Citations
M101 1992 c. 12.

9 Paragraph 8(b) of Schedule 11 to that Act (in its application as amended by the ^{M102}Capital Allowances Act 1990) shall have effect, and be deemed always to have had effect, as if the words “Chapter II of Part I of the 1968 Act or” were omitted.

Marginal Citations
M102 1990 c. 1.

.....

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

F712 Sch. 18 repealed (with effect as mentioned in s. 83(3) of the amending Act) by [Finance Act 2002 \(c. 23\)](#), s. 141, [Sch. 40 Pt. 3\(13\)](#)

SCHEDULE 19

Section 196.

MANAGEMENT: OTHER AMENDMENTS

PART I

AMENDMENTS OF MANAGEMENT ACT

Notice of liability to income tax and capital gains tax

- 1 (1) For section 7 of the Management Act there shall be substituted the following section—

“7 Notice of liability to income tax and capital gains tax.

- (1) Every person who—
- (a) is chargeable to income tax or capital gains tax for any year of assessment, and
 - (b) has not received a notice under section 8 of this Act requiring a return for that year of his total income and chargeable gains,
- shall, subject to subsection (3) below, within six months from the end of that year, give notice to an officer of the Board that he is so chargeable.
- (2) In the case of a person who is chargeable as mentioned in subsection (1) above as a trustee of a settlement, that subsection shall have effect as if the reference to a notice under section 8 of this Act were a reference to a notice under section 8A of this Act.
- (3) A person shall not be required to give notice under subsection (1) above in respect of a year of assessment if for that year his total income consists of income from sources falling within subsections (4) to (7) below and he has no chargeable gains.
- (4) A source of income falls within this subsection in relation to a year of assessment if—
- (a) all payments of, or on account of, income from it during that year, and
 - (b) all income from it for that year which does not consist of payments, have or has been taken into account in the making of deductions or repayments of tax under section 203 of the principal Act.
- (5) A source of income falls within this subsection in relation to any person and any year of assessment if all income from it for that year has been or will be taken into account—

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- (a) in determining that person's liability to tax, or
 - (b) in the making of deductions or repayments of tax under section 203 of the principal Act.
- (6) A source of income falls within this subsection in relation to any person and any year of assessment if all income from it for that year is—
 - (a) income from which income tax has been deducted;
 - (b) income from or on which income tax is treated as having been deducted or paid; or
 - (c) income chargeable under Schedule F,
 and that person is not for that year liable to tax at a rate other than the basic rate or the lower rate.
- (7) A source of income falls within this subsection in relation to any person and any year of assessment if all income from it for that year is income from which he could not become liable to tax under a self-assessment made under section 9 of this Act in respect of that year.
- (8) If any person, for any year of assessment, fails to comply with subsection (1) above, he shall be liable to a penalty not exceeding the amount of the tax—
 - (a) in which he is assessed under section 9 or 29 of this Act in respect of that year, and
 - (b) which is not paid on or before the 31st January next following that year.”
- (2) This paragraph has effect as respects the year 1995-96 and subsequent years of assessment.

European Economic Interest Groupings

- 2 In subsection (2) of section 12A of the Management Act (European Economic Interest Groupings), for the words “making assessments to income tax, corporation tax and capital gains tax on members of a grouping” there shall be substituted the words “securing that members of a grouping are assessed to income tax and capital gains tax or (as the case may be) corporation tax”.

Records for purposes of returns

- 3 After section 12A of the Management Act there shall be inserted the following section—

“Records

12B Records to be kept for purposes of returns.

- (1) Any person who may be required by a notice under section 8, 8A, 11 or 12AA of this Act (or under any of those sections as extended by section 12 of this Act) to make and deliver a return for a year of assessment or other period shall—
 - (a) keep all such records as may be requisite for the purpose of enabling him to make and deliver a correct and complete return for the year or period; and

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- (b) preserve those records until the end of whichever of the following is the later, namely—
 - (i) the day mentioned in subsection (2) below; and
 - (ii) where a return delivered by him is enquired into by an officer of the Board, the day on which, by virtue of section 28A(5) or 28B(5) of this Act, the officer's enquiries are treated as completed.
- (2) The day referred to in subsection (1) above is—
 - (a) in the case of a person carrying on a trade, profession or business alone or in partnership or a company, the fifth anniversary of the 31st January next following the year of assessment or (as the case may be) the sixth anniversary of the end of the period;
 - (b) in any other case, the first anniversary of the 31st January next following the year of assessment or, where a return is delivered by the person concerned after that date, the quarter day next following the first anniversary of the day on which the return is delivered;and the quarter days for the purposes of this subsection are 31st January, 30th April, 31st July and 31st October.
- (3) In the case of a person carrying on a trade, profession or business alone or in partnership—
 - (a) the records required to be kept and preserved under subsection (1) above shall include records of the following, namely—
 - (i) all amounts received and expended in the course of the trade, profession or business and the matters in respect of which the receipts and expenditure take place, and
 - (ii) in the case of a trade involving dealing in goods, all sales and purchases of goods made in the course of the trade; and
 - (b) the duty under that subsection shall include a duty to preserve until the day mentioned in subsection (2) above all supporting documents relating to such items as are mentioned in paragraph (a)(i) or (ii) above.
- (4) The duty under subsection (1) above to preserve records may be discharged by the preservation of the information contained in them; and where information is so preserved a copy of any document forming part of the records shall be admissible in evidence in any proceedings before the Commissioners to the same extent as the records themselves.
- (5) Any person who fails to comply with subsection (1) above in relation to a year of assessment or accounting period shall be liable to a penalty not exceeding £3,000.
- (6) For the purposes of this section—
 - (a) a person engaged in the letting of property shall be treated as carrying on a trade; and
 - (b) “supporting documents” includes accounts, books, deeds, contracts, vouchers and receipts.”

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Recovery of overpayment of tax etc.

- 4 (1) After subsection (1A) of section 30 of the Management Act (recovery of overpayment of tax etc.) there shall be inserted the following subsection—

“(1B) Subsections (2) to (8) of section 29 of this Act shall apply in relation to an assessment under subsection (1) above as they apply in relation to an assessment under subsection (1) of that section; and subsection (4) of that section as so applied shall have effect as if the reference to the loss of tax were a reference to the repayment of the amount of tax which ought not to have been repaid.”

- (2) For subsection (5) of that section there shall be substituted the following subsection—

“(5) An assessment under this section shall not be out of time under section 34 of this Act if it is made before the end of whichever of the following ends the later, namely—

- (a) the chargeable period following that in which the amount assessed was repaid or paid as the case may be, or
- (b) where a return delivered by the person concerned, or an amendment of such a return, is enquired into by an officer of the Board, the period ending with the day on which, by virtue of section 28A(5) of this Act, the officer’s enquiries are treated as completed.”

Assessing procedure

- 5 (1) After section 30 of the Management Act there shall be inserted the following section—

“**30A Assessing procedure.**

- (1) Except as otherwise provided, all assessments to tax which are not self-assessments shall be made by an officer of the Board.
 - (2) All income tax which falls to be charged by an assessment which is not a self-assessment may, notwithstanding that it was chargeable under more than one Schedule, be included in one assessment.
 - (3) Notice of any such assessment shall be served on the person assessed and shall state the date on which it is issued and the time within which any appeal against the assessment may be made.
 - (4) After the notice of any such assessment has been served on the person assessed, the assessment shall not be altered except in accordance with the express provisions of the Taxes Acts.
 - (5) Assessments to tax which under any provision in the Taxes Acts are to be made by the Board shall be made in accordance with this section.”
- (2) This paragraph, so far as it relates to partnerships whose trades, professions or businesses are set up and commenced before 6th April 1994, has effect as respects the year 1997-98 and subsequent years of assessment.

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Amendment of partnership statement where loss of tax discovered

- 6 After section 30A of the Management Act there shall be inserted the following section—

“30B Amendment of partnership statement where loss of tax discovered.

- (1) Where an officer of the Board or the Board discover, as regards a partnership statement made by any person (the representative partner) in respect of any period—
 - (a) that any profits which ought to have been included in the statement have not been so included, or
 - (b) that an amount of profits so included is or has become insufficient, or
 - (c) that any relief claimed by the representative partner is or has become excessive,the officer or, as the case may be, the Board may, subject to subsections (3) and (4) below, by notice to that partner so amend the statement as to make good the omission or deficiency or eliminate the excess.
- (2) Where a partnership statement is amended under subsection (1) above, the officer shall by notice to each of the relevant partners so amend their self-assessments under section 9 or 11AA of this Act as to give effect to the amendments of the partnership statement.
- (3) Where the situation mentioned in subsection (1) above is attributable to an error or mistake as to the basis on which the partnership statement was made, no amendment shall be made under that subsection if that statement was in fact made on the basis or in accordance with the practice generally prevailing at the time when it was made.
- (4) No amendment shall be made under subsection (1) above unless one of the two conditions mentioned below is fulfilled.
- (5) The first condition is that the situation mentioned in subsection (1) above is attributable to fraudulent or negligent conduct on the part of—
 - (a) the representative partner or a person acting on his behalf, or
 - (b) a relevant partner or a person acting on behalf of such a partner.
- (6) The second condition is that at the time when an officer of the Board—
 - (a) ceased to be entitled to give notice of his intention to enquire into the representative partner’s return under section 12AA of this Act; or
 - (b) informed that partner that he had completed his enquiries into that return,the officer could not have been reasonably expected, on the basis of the information made available to him before that time, to be aware of the situation mentioned in subsection (1) above.
- (7) Subsections (6) and (7) of section 29 of this Act apply for the purposes of subsection (6) above as they apply for the purposes of subsection (5) of that section; and those subsections as so applied shall have effect as if—
 - (a) any reference to the taxpayer were a reference to the representative partner;

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- (b) any reference to the taxpayer’s return under section 8, 8A or 11 were a reference to the representative partner’s return under section 12AA of this Act; and
 - (c) sub-paragraph (ii) of paragraph (a) of subsection (7) were omitted.
- (8) An objection to the making of an amendment under subsection (1) above on the ground that neither of the two conditions mentioned above is fulfilled shall not be made otherwise than on an appeal against the amendment.
- (9) In this section—
- “profits” has the same meaning as in section 29 of this Act;
 - “relevant partner” means a person who was a partner at any time during the period in respect of which the partnership statement was made.
- (10) Any reference in this section to the representative partner includes, unless the context otherwise requires, a reference to any successor of his.”

Right of appeal

F7197

Textual Amendments

F719 Sch. 19 para. 7 repealed (11.5.2001 with effect in accordance with s. 88, Sch. 29 of the repealing Act) by 2001 c. 9, s. 110, **Sch. 33 Pt. 2(13)**, Note

Error or mistake

8 F720(1)

- (2) The proviso to subsection (2) of that section shall cease to have effect and after that subsection there shall be inserted the following subsection—

“(2A) No relief shall be given under this section in respect of—

- (a) an error or mistake as to the basis on which the liability of the claimant ought to have been computed where the return was in fact made on the basis or in accordance with the practice generally prevailing at the time when it was made; or
- (b) an error or mistake in a claim which is included in the return.”

Textual Amendments

F720 Sch. 19 para. 8(1) repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by 1998 c. 38, s. 165, **Sch. 27 Pt. III(28)**

9 After section 33 of the Management Act there shall be inserted the following section—

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“33A Error or mistake in partnership statement.

- (1) This section applies where, in the case of a trade, profession or business carried on by two or more persons in partnership, those persons allege that the tax charged by self-assessments of theirs under section 9 or 11AA of this Act was excessive by reason of some error or mistake in a partnership statement.
- (2) One of those persons (the representative partner) may, not later than five years after the filing date, by notice in writing make a claim to the Board for relief.
- (3) On receiving the claim the Board shall inquire into the matter and shall, subject to subsection (5) below, so amend the partnership statement so as to give such relief in respect of the error or mistake as is reasonable or just.
- (4) Where a partnership statement is amended under subsection (3) above, the Board shall by notice to each of the relevant partners so amend their self-assessments under section 9 or 11AA of this Act as to give effect to the amendment of the partnership statement.
- (5) No relief shall be given under this section in respect of an error or mistake as to the basis on which the liability of the partners ought to have been computed where the partnership statement was in fact made on the basis or in accordance with the practice generally prevailing at the time when it was made.
- (6) In determining the claim the Board—
 - (a) shall have regard to all the relevant circumstances of the case, and
 - (b) in particular shall consider whether the granting of relief would result in the exclusion from charge to tax of any part of the profits of any of the partners;and for the purposes of this subsection the Board may take into consideration the liability of the partners and their self-assessments in respect of chargeable periods other than that to which the claim relates.
- (7) If any appeal is brought from the decision of the Board on the claim, the Special Commissioners shall hear and determine the appeal in accordance with the principles to be followed by the Board in determining claims under this section.
- (8) Neither the representative partner nor the Board shall be entitled to require a case to be stated under section 56 of this Act otherwise than on a point of law arising in connection with the computation of profits.
- (9) In this section—

“filing date” has the same meaning as in section 12AC of this Act;
“profits” has the same meaning as in section 33 of this Act;
“relevant partner” means a person who was a partner at any time during the period in respect of which the partnership statement was made.
- (10) Any reference in this section to the representative partner includes, unless the context otherwise requires, a reference to any successor of his.”

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Time limits for assessments

F721 10

Textual Amendments

F721 Sch. 19 para. 10 repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by 1998 c. 36, s. 165, **Sch. 27 Pt. III(28)**

- 11 (1) In subsection (1) of section 36 of the Management Act (fraudulent or negligent conduct), for the words from “twenty years” to the end there shall be substituted the words—
- “(a) in the case of an assessment to income tax or capital gains tax, twenty years after the 31st January next following the year of assessment to which it relates; and
 - (b) in the case of an assessment to corporation tax, twenty-one years after the end of the accounting period to which it relates.”
- (2) For subsection (2) of that section there shall be substituted the following subsection—
- “(2) Where the person in default carried on a trade, profession or business with one or more other persons at any time in the period for which the assessment is made, an assessment in respect of the profits or gains of the trade, profession or business for the purpose mentioned in subsection (1) above may be made not only on the person in default but also on his partner or any of his partners.”
- 12 In subsections (1) and (2) of section 40 of the Management Act (assessments on personal representatives), for the words “the third year next following the year of assessment” there shall be substituted the words “ the period of three years beginning with the 31st January next following the year of assessment ”.

Claims etc.

- 13 For section 42 of the Management Act there shall be substituted the following section—

“42 Procedure for making claims etc.

- (1) Where any provision of the Taxes Acts provides for relief to be given, or any other thing to be done, on the making of a claim, this section shall, unless otherwise provided, have effect in relation to the claim.
- (2) Subject to subsection (3) below, where notice has been given under section 8, 8A, 11 or 12AA of this Act, a claim shall not at any time be made otherwise than by being included in a return under that section if it could, at that or any subsequent time, be made by being so included.
- (3) Subsection (2) above shall not apply in relation to any claim which falls to be taken into account in the making of deductions or repayments of tax under section 203 of the principal Act.
- (4) A claim made by a company for payment of a tax credit shall be made by being included in a return under section 11 of this Act.

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- (5) The references in subsections (2) and (4) above to a claim being included in a return include references to a claim being so included by virtue of an amendment of the return; and the reference in subsection (4) above to a claim for payment includes a reference to a claim resulting in payment.
- (6) In the case of a trade, profession or business carried on by persons in partnership, a claim under any of the provisions mentioned in subsection (7) below shall be made—
 - (a) where subsection (2) above applies, by being included in a return under section 12AA of this Act, and
 - (b) in any other case, by such one of those persons as may be nominated by them for the purpose.
- (7) The provisions are—
 - (a) sections 84, 91B, 101(2), 120(2), 401, 471, 472, 484, 504, 531, 534, 535, 537A, 538, 570, 571(4), 579(4), 723(3), 732(4), 810 of, and paragraphs 2, 6 and 11 of Schedule 5 to, the principal Act;
 - (b) section 43(5) of the Finance Act 1989;
 - (c) sections 1, 11, 17, 22, 23, 24, 25, 30, 31, 33, 37, 48, 49, 53, 55, 68(5), 68(9), 77, 78, 124A, 129(2), 140(3), 141 and 158 of the Capital Allowances Act 1990; and
 - (d) sections 41 and 42 of the Finance (No. 2) Act 1992.
- (8) A claim may be made on behalf of an incapacitated person by his trustee, guardian, tutor or curator; and a person who under Part VIII of this Act has been charged with tax on the profits of another person may make any such claim for relief by discharge or repayment of that tax.
- (9) Where a claim has been made (whether by being included in a return under section 8, 8A, 11 or 12AA of this Act or otherwise) and the claimant subsequently discovers that an error or mistake has been made in the claim, the claimant may make a supplementary claim within the time allowed for making the original claim.
- (10) This section shall apply in relation to any elections and notices as it applies in relation to claims.
- (11) Schedule 1A to this Act shall apply as respects any claim, election or notice which—
 - (a) is made otherwise than by being included in a return under section 8, 8A, 11 or 12AA of this Act, and
 - (b) does not fall to be taken into account in the making of deductions or repayments of tax under section 203 of the principal Act.
- (12) Schedule 2 to this Act shall have effect as respects the Commissioners to whom an appeal lies under Schedule 1A to this Act.
- (13) In this section “profits”—
 - (a) in relation to income tax, means income,
 - (b) in relation to capital gains tax, means chargeable gains, and
 - (c) in relation to corporation tax, means profits as computed for the purposes of that tax.”

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F722 14

Textual Amendments

F722 Sch. 19 para. 14 repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by 1998 c. 36, s. 165, **Sch. 27 Pt. III(28)**

F723 15

Textual Amendments

F723 Sch. 19 para. 15 repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by 1998 c. 36, s. 165, **Sch. 27 Pt. III(28)**

Determination of Commissioners

F724 16

Textual Amendments

F724 Sch. 19 para. 16 repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by 1998 c. 36, s. 165, **Sch. 27 Pt. III(28)**

Procedure on appeal

17 (1) For subsections (6) and (7) of section 50 of the Management Act (procedure on appeal) there shall be substituted the following subsections—

“(6) If, on an appeal, it appears to the majority of the Commissioners present at the hearing, by examination of the appellant on oath or affirmation, or by other ^{F725} . . . evidence—

- (a) that, by reason of an amendment under section 28A(2) or (4) of this Act, the appellant is overcharged by a self-assessment;
- (b) that, by reason of an amendment under section 28B(3) or 30B(1) of this Act, any amounts contained in a partnership statement are excessive; or
- (c) that the appellant is overcharged by an assessment other than a self-assessment,

the assessment or amounts shall be reduced accordingly, but otherwise the assessment or statement shall stand good.

(7) If, on an appeal, it appears to the Commissioners—

- (a) that the appellant is undercharged to tax by a self-assessment which has been amended under section 28A(2) or (4) of this Act;
- (b) that any amounts contained in a partnership statement which has been amended under section 28B(3) or 30B(1) of this Act are insufficient; or
- (c) that the appellant is undercharged by an assessment other than a self-assessment,

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the assessment or amounts shall be increased accordingly.”

- (2) In subsection (8) of that section, after the words “an assessment” there shall be inserted the words “ (other than a self-assessment) ”.

^{F726}(3)

Textual Amendments

F725 Word in Sch. 19 para. 17(1) repealed (1.9.1994) by [S.I. 1994/1813, reg. 2, Sch. 1 para. 25\(b\), Sch. 2 Pt. I](#)

F726 Sch. 19 para. 17(3) repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by [1998 c. 36, s. 165, Sch. 27 Pt. III\(28\)](#)

Postponement of tax pending appeal

- 18 (1) For subsection (1) of section 55 of the Management Act there shall be substituted the following subsection—

“(1) This section applies to an appeal to the Commissioners against—

- (a) an amendment made under section 28A(2) or (4) of this Act of a self-assessment,
- (b) an assessment to tax made under section 29 of this Act,
- (c) an assessment to income tax made under Schedule 16 to the principal Act (income tax on company payments) other than an assessment charging tax the time for the payment of which is given by paragraph 4(1) or 9 of that Schedule, or
- (d) a notice under subsection (1) or (3) of section 753 of that Act where, before the appeal is determined, the appellant is assessed to tax under section 747(4)(a) of that Act by reference to an amount of chargeable profits specified in that notice.”

- (2) In the following provisions of that section, for the word “assessment”, in each place where it occurs, there shall be substituted the words “ amendment or assessment ”.

Collection and recovery

^{F727}19

Textual Amendments

F727 Sch. 19 para. 19 repealed (31.7.1998 with effect as mentioned in the Note to Sch. 27 Pt. III(28) of the repealing Act) by [1998 c. 36, s. 165, Sch. 27 Pt. III\(28\)](#)

^{F728}20

Textual Amendments

F728 Sch. 19 para. 20 repealed (11.5.2001 with effect as mentioned in Note 2 to Sch. 33 Pt. 2(14) of the repealing Act) by [2001 c. 9, s. 110, Sch. 33 Pt. 2\(14\)](#)

^{F729}21

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Textual Amendments

F729 Sch. 19 para. 21 omitted (21.7.2008) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 44 para. 11\(a\)](#)

- 22 (1) After section 70 of the Management Act there shall be inserted the following section—

“70A Payments by cheque.

- (1) For the purposes of this Act and the provisions mentioned in subsection (2) below, where—

- (a) any payment to an officer of the Board or the Board is made by cheque, and
- (b) the cheque is paid on its first presentation to the banker on whom it is drawn,

the payment shall be treated as made on the day on which the cheque was received by the officer or the Board.

- (2) The provisions are—

- (a) sections 824 to 826 of the principal Act (repayment supplements and interest on tax overpaid); and
- (b) section 283 of the 1992 Act (repayment supplements).”

- (2) This paragraph has effect as respects cheques received on or after 6th April 1996.

Interest on overdue tax or tax recovered

F730 23

Textual Amendments

F730 Sch. 19 para. 23 repealed and superseded (29.4.1996 with effect in accordance with s. 121(8) of the repealing Act) by [1996 c. 8, ss. 131\(3\), 205\(1\)\(2\)](#), [Sch. 41 Pt. V\(6\)](#), Note 3

- 24 In subsection (1) of section 87A of the Management Act (interest on overdue corporation tax etc.), for the words “section 10 of the principal Act” there shall be substituted the words “ section 59D of this Act ”.

Penalties

- 25 For section 93 of the Management Act there shall be substituted the following section—

“93 Failure to make return for income tax and capital gains tax.

- (1) This section applies where—

- (a) any person (the taxpayer) has been required by a notice served under or for the purposes of section 8 or 8A of this Act (or either of those sections as extended by section 12 of this Act) to deliver any return, and
- (b) he fails to comply with the notice.

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- (2) The taxpayer shall be liable to a penalty which shall be £100.
- (3) If, on an application made to them by an officer of the Board, the General or Special Commissioners so direct, the taxpayer shall be liable to a further penalty or penalties not exceeding £60 for each day on which the failure continues after the day on which he is notified of the direction (but excluding any day for which a penalty under this subsection has already been imposed).
- (4) If—
 - (a) the failure by the taxpayer to comply with the notice continues after the end of the period of six months beginning with the filing date, and
 - (b) no application is made under subsection (3) above before the end of that period,the taxpayer shall be liable to a further penalty which shall be £100.
- (5) Without prejudice to any penalties under subsections (2) to (4) above, if—
 - (a) the failure by the taxpayer to comply with the notice continues after the anniversary of the filing date, and
 - (b) there would have been a liability to tax shown in the return,the taxpayer shall be liable to a penalty of an amount not exceeding the liability to tax which would have been so shown.
- (6) No penalty shall be imposed under subsection (3) above in respect of a failure at any time after the failure has been remedied.
- (7) If the taxpayer proves that the liability to tax shown in the return would not have exceeded a particular amount, the penalty under subsection (2) above, together with any penalty under subsection (4) above, shall not exceed that amount.
- (8) On an appeal against the determination under section 100 of this Act of a penalty under subsection (2) or (4) above, neither section 50(6) to (8) nor section 100B(2) of this Act shall apply but the Commissioners may—
 - (a) if it appears to them that, throughout the period of default, the taxpayer had a reasonable excuse for not delivering the return, set the determination aside; or
 - (b) if it does not so appear to them, confirm the determination.
- (9) References in this section to a liability to tax which would have been shown in the return are references to an amount which, if a proper return had been delivered on the filing date, would have been payable by the taxpayer under section 59B of this Act for the year of assessment.
- (10) In this section—
 - “the filing date” means the day mentioned in section 8(1A) or, as the case may be, section 8A(1A) of this Act;
 - “the period of default”, in relation to any failure to deliver a return, means the period beginning with the filing date and ending with the day before that on which the return was delivered.”

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“93A Failure to make partnership return.

- (1) This section applies where, in the case of a trade, profession or business carried on by two or more persons in partnership—
 - (a) a partner (the representative partner) has been required by a notice served under or for the purposes of section 12AA(2) or (3) of this Act to deliver any return, and
 - (b) he fails to comply with the notice.
- (2) Each relevant partner shall be liable to a penalty which shall be £100.
- (3) If, on an application made to them by an officer of the Board, the General or Special Commissioners so direct, each relevant partner shall be liable, for each day on which the failure continues after the day on which the representative partner is notified of the direction (but excluding any day for which a penalty under this subsection has already been imposed), to a further penalty or penalties not exceeding £60.
- (4) If—
 - (a) the failure by the representative partner to comply with the notice continues after the end of the period of six months beginning with the filing date, and
 - (b) no application is made under subsection (3) above before the end of that period,
 each relevant partner shall be liable to a further penalty which shall be £100.
- (5) No penalty shall be imposed under subsection (3) above in respect of a failure at any time after the failure has been remedied.
- (6) Where, in respect of the same failure to comply, penalties under subsection (2), (3) or (4) above are determined under section 100 of this Act as regards two or more relevant partners—
 - (a) no appeal against the determination of any of those penalties shall be brought otherwise than by the representative partner;
 - (b) any appeal by that partner shall be a composite appeal against the determination of each of those penalties; and
 - (c) section 100B(3) of this Act shall apply as if that partner were the person liable to each of those penalties.
- (7) On an appeal against a determination under section 100 of this Act of a penalty under subsection (2) or (4) above, neither section 50(6) to (8) nor section 100B(2) of this Act shall apply but the Commissioners may—
 - (a) if it appears to them that, throughout the period of default, the representative partner had a reasonable excuse for not delivering the return, set the determination aside; or
 - (b) if it does not so appear to them, confirm the determination.
- (8) In this section—

“the filing date” means the day specified in the notice under section 12AA(2) or (3) of this Act;

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“the period of default”, in relation to any failure to deliver a return, means the period beginning with the filing date and ending with the day before that on which the return was delivered;

“relevant partner” means a person who was a partner at any time during the period in respect of which the return was required.”

27 ^{F731}(1)

(2) In subsection (3) of that section, the words from “and the references” to the end shall cease to have effect.

Textual Amendments

F731 Sch. 19 para. 27(1) repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 5\(5\)](#)

^{F732}28

Textual Amendments

F732 Sch. 19 para. 28 repealed (19.7.2007) by [Finance Act 2007 \(c. 11\)](#), [Sch. 27 Pt. 5\(5\)](#)

^{F733}29

Textual Amendments

F733 Sch. 19 para. 29 omitted (1.4.2009) by virtue of [Finance Act 2008 \(c. 9\)](#), s. 113(2), [Sch. 36 para. 92\(c\)](#) (with [Sch. 36 para. 38](#)); [S.I. 2009/404](#), [art. 2](#) (with [art. 12](#))

30 (1) For subsection (2) of section 98B of the Management Act (European Economic Interest Groupings) there shall be substituted the following subsections—

“(2) Subsections (2A) to (4) below apply where a grouping or member of a grouping required by a notice given under section 12A of this Act to deliver a return or other document fails to comply with the notice.

(2A) The grouping or member shall be liable to a penalty not exceeding £300 multiplied by the number of members of the grouping at the time of the failure to comply.

(2B) If, on an application made to them by an officer of the Board, the General or Special Commissioners so direct, the grouping or member shall be liable, for each day on which the failure continues after the day on which the grouping or member is notified of the direction (but excluding any day for which a penalty under this subsection has already been imposed), to a further penalty or penalties not exceeding £60 multiplied by the number of members of the grouping at the end of that day.”

(2) In subsection (3) of that section, for the words “subsection (2)” there shall be substituted the words “ subsection (2A) or (2B) ”.

(3) In subsection (4) of that section, for the words “subsection (2)” there shall be substituted the words “ subsections (2A) and (2B) ”.

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- 31 (1) In subsection (1) of section 100B of the Management Act (appeals against penalty determinations), after the words “subject to” there shall be inserted the words “sections 93, 93A and 95A of this Act ”.
- (2) At the beginning of subsection (2) of that section there shall be inserted the words “Subject to sections 93(8) and 93A(7) of this Act ”.

F73432

Textual Amendments
F734 Sch. 19 para. 32 repealed (19.7.2007) by Finance Act 2007 (c. 11), Sch. 27 Pt. 5(5)

- 33 After section 103 of the Management Act there shall be inserted the following section—

“103A Interest on penalties.
A penalty under any of the provisions of Part II or VA or this Part of this Act shall carry interest at the rate applicable under section 178 of the Finance Act 1989 from the date on which it becomes due and payable until payment.”

Interpretation

- 34 (1) In subsection (1) of section 118 of the Management Act (interpretation), after the definition of [F735“the Special Commissioners Regulations”] there shall be inserted the following definitions—
““successor”, in relation to a person who has made and delivered a return under section 12AA of this Act, and “predecessor” and “successor”, in relation to the successor of such a person, shall be construed in accordance with section 12AC(6) of this Act;”.
- (2) Subsection (3) of that section (effect of assessments in partnership name) shall cease to have effect.
- (3) Sub-paragraph (2) above, so far as it relates to partnerships whose trades, professions or businesses are set up and commenced before 6th April 1994, has effect as respects the year 1997-98 and subsequent years of assessment.

Textual Amendments
F735 Words in Sch. 19 para.34(1) substituted (1.9.1994) by S.I. 1994/1813, reg. 2(1), Sch. 1 para. 25(c)

Claims etc. not included in returns

- 35 After Schedule 1 to the Management Act there shall be inserted the following Schedule—

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“SCHEDULE 1A

CLAIMS ETC. NOT INCLUDED IN RETURNS

Preliminary

- 1 In this Schedule—
- “claim” means a claim, election or notice as respects which this Schedule applies;
 - “partnership claim” means a claim made in accordance with section 42(6)(b) of this Act;
 - “profits” has the same meaning as in section 42 of this Act;
 - “relevant partner”, in relation to a partnership claim, means any person who was a partner at any time during the period in respect of which the claim is made;
 - “successor”, in relation to a person who—
 - (a) has made a partnership claim, but
 - (b) is no longer a partner or is otherwise no longer available,means such other partner who may at any time be nominated for the purposes of this paragraph by the majority of the partners at that time, and “predecessor” and “successor”, in relation to a person so nominated, shall be construed accordingly.

Making of claims

- 2
- (1) Subject to any provision in the Taxes Acts for a claim to be made to the Board, every claim shall be made to an officer of the Board.
 - (2) No claim requiring the repayment of tax shall be made unless the claimant has documentary proof that the tax has been paid by deduction or otherwise.
 - (3) A claim shall be made in such form as the Board may determine.
 - (4) The form of claim shall provide for a declaration to the effect that all the particulars given in the form are correctly stated to the best of the information and belief of the person making the claim.
 - (5) The form of claim may require—
 - (a) a statement of the amount of tax which will be required to be discharged or repaid in order to give effect to the claim;
 - (b) a return of profits to be made in support of the claim; and
 - (c) any such particulars of assets acquired as may be required in a return by virtue of section 12 of this Act.
 - (6) In the case of a claim made by or on behalf of a person who is not resident, or who claims to be not resident or not ordinarily resident or not domiciled, in the United Kingdom, an officer of the Board or the Board may require a statement or declaration in support of the claim to be made by affidavit.

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Amendments of claims

- 3 (1) Subject to sub-paragraph (2) below—
 - (a) at any time before the end of the period of nine months beginning with the day on which a claim is made, an officer of the Board may by notice to the claimant so amend the claim as to correct any obvious errors or mistakes in the return (whether errors of principle, arithmetical mistakes or otherwise); and
 - (b) at any time before the end of the period of twelve months beginning with the day on which the claim is made, the claimant may amend his claim by notice to an officer of the Board.
- (2) No amendment of a claim may be made under sub-paragraph (1) above at any time during the period—
 - (a) beginning with the day on which an officer of the Board gives notice of his intention to enquire into the claim, and
 - (b) ending with the day on which the officer's enquiries into the claim are completed.

Giving effect to claims and amendments

- 4 (1) An officer of the Board or the Board shall, as soon as practicable after a claim other than a partnership claim is made, or such a claim is amended under paragraph 3 above, give effect to the claim or amendment by discharge or repayment of tax.
- (2) An officer of the Board or the Board shall, as soon as practicable after a partnership claim is made, or such a claim is amended under paragraph 3 above, give effect to the claim or amendment, as respects each of the relevant partners, by discharge or repayment of tax.

Power to enquire into claims

- 5 (1) An officer of the Board may enquire into—
 - (a) a claim made by any person, or
 - (b) any amendment made by any person of a claim made by him,
 if, before the end of the period mentioned in sub-paragraph (2) below, he gives notice in writing of his intention to do so to that person or, in the case of a partnership claim, any successor of that person.
- (2) The period referred to in sub-paragraph (1) above is the period ending with the quarter day next following the first anniversary of the day on which the claim or amendment was made; and the quarter days for the purposes of this subsection are 31st January, 30th April, 31st July and 31st October.
- (3) A claim or amendment which has been enquired into under sub-paragraph (1) above shall not be the subject of a further notice under that sub-paragraph.

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Power to call for documents for purposes of enquiries

- 6 (1) This paragraph applies where an officer of the Board gives notice under paragraph 5 above to any person (the claimant) of his intention to enquire into—
- (a) a claim made by the claimant, or
 - (b) any amendment made by the claimant of such a claim.
- (2) For the purpose of enquiring into the claim or amendment, the officer may at the same or any subsequent time by notice in writing require the claimant, within such time (which shall not be less than 30 days) as may be specified in the notice—
- (a) to produce to the officer such documents as are in the claimant's possession or power and as the officer may reasonably require for the purpose of determining whether and, if so, the extent to which the claim or amendment is incorrect, and
 - (b) to furnish the officer with such accounts or particulars as he may reasonably require for that purpose.
- (3) Subsections (3) to (11) of section 19A of this Act apply for the purposes of this paragraph as they apply for the purposes of that section; and those subsections as so applied shall have effect as if any reference to subsection (2) of that section were a reference to sub-paragraph (2) above.
- (4) Where this paragraph applies in relation to a partnership claim, any reference in this paragraph to the claimant includes a reference to any predecessor or successor of his.

Amendments of claims where enquiries made

- 7 (1) This paragraph applies where an officer of the Board gives notice under paragraph 5(1) above to any person (the claimant) of his intention to enquire into—
- (a) a claim made by the claimant, or
 - (b) any amendment made by the claimant of such a claim.
- (2) At any time in the period of 30 days beginning with the day on which the officer's enquiries are completed, the claimant may so amend his claim—
- (a) as to eliminate or make good any excess or deficiency which, on the basis of the conclusions stated in the officer's notice under sub-paragraph (4) below, is an excess or deficiency which could be made good or eliminated under sub-paragraph (3) below; or
 - (b) as to give effect to any amendments to the claim which he has notified to the officer.
- (3) If, at any time in the period of 30 days beginning immediately after the period mentioned in sub-paragraph (2) above, the officer is of opinion that—
- (a) the claimant's claim is excessive or insufficient, and
 - (b) in a case falling within sub-paragraph (1)(b) above, the excess or deficiency is attributable (wholly or partly) to the claimant's amendment,

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the officer may by notice to the claimant so amend the claim as to eliminate or make good the excess or deficiency or, where paragraph (b) above applies, so much of the excess or deficiency as is so attributable.

- (4) Subject to sub-paragraph (5) below, the officer's enquiries shall be treated as completed at such time as he by notice—
 - (a) informs the claimant that he has completed his enquiries, and
 - (b) states his conclusions as to the amount which should be the amount of the claimant's claim.
- (5) Subsections (6) and (7) of section 28A of this Act apply for the purposes of sub-paragraph (4) above as they apply for the purposes of subsection (5) of that section.
- (6) Where this paragraph applies in relation to a partnership claim, any reference in this paragraph to the claimant includes a reference to any predecessor or successor of his.

Giving effect to such amendments

- 8 (1) An officer of the Board or the Board shall, within 30 days of a claim other than a partnership claim being amended under paragraph 7(2) or (3) above, give effect to the amendment by making such adjustment as may be necessary, whether—
 - (a) by way of assessment on the claimant, or
 - (b) by discharge of tax or, on proof to the satisfaction of the officer or the Board that any tax has been paid by the claimant by deduction or otherwise, by repayment of tax.
- (2) An officer of the Board or the Board shall, within 30 days of a partnership claim being amended under paragraph 7(2) or (3) above, give effect to the amendment, as respects each of the relevant partners, by making such adjustment as may be necessary, whether—
 - (a) by way of assessment on the partner, or
 - (b) by discharge of tax or, on proof to the satisfaction of the officer or the Board that any tax has been paid by the partner by deduction or otherwise, by repayment of tax.
- (3) An assessment made under sub-paragraph (1) or (2) above shall not be out of time if it is made within the time mentioned in that sub-paragraph.

Appeals against such amendments

- 9 (1) An appeal may be brought against an amendment made under paragraph 7(3) above by giving written notice to the officer within 30 days of the amendment being made.
- (2) Where, in the case of such an appeal, the issues arising include—
 - (a) any question arising under section 278 of the principal Act (personal reliefs for non-residents);
 - (b) any question of residence, ordinary residence or domicile; or
 - (c) the question whether a fund is one to which section 615(3) of that Act applies (pension funds for service abroad),

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the time for bringing the appeal shall be three months from the making of the amendment under paragraph 7(3) above.

(3) On an appeal under this paragraph, the Commissioners may vary the amendment appealed against whether or not the variation is to the advantage of the appellant.

(4) Where an amendment made under paragraph 7(3) above is varied, whether by the Commissioners or by the order of any court, paragraph 8 above shall (with the necessary modifications) apply in relation to the variation as it applied in relation to the amendment.”

F736³⁶

Textual Amendments

F736 Sch. 19 para. 36 repealed (29.4.1996 with effect in accordance with Sch. 22 of the repealing Act) by 1996 c. 8, s. 205(1)(2), **Sch. 41 Pt. V(12)**, Note

PART II

AMENDMENTS OF TAXES ACT 1988

Time limits for claims under section 96

F737³⁷

Textual Amendments

F737 Sch. 19 para. 37 repealed (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), s. 381(1), **Sch. 10 Pt. 13** (with Sch. 9 paras. 1-9, 22)

Interest on Schedule E tax

F738³⁸

Textual Amendments

F738 Sch. 19 para. 39 repealed (31.1.2013) by Statute Law (Repeals) Act 2013 (c. 2), s. 3(2), **Sch. 1 Pt. 10** Group 1

Time limits for claims under sections 534 and 537A

F738³⁹

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Textual Amendments

F738 [Sch. 19 para. 39](#) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), [Sch. 1 Pt. 10](#)
 Group 1

F739 [40](#)

Textual Amendments

F739 [Sch. 19 para. 40](#) repealed (31.1.2013) by [Statute Law \(Repeals\) Act 2013 \(c. 2\)](#), s. 3(2), [Sch. 1 Pt. 10](#)
 Group 1

Repayment supplements: income tax

- 41 (1) For subsection (1) of section 824 of the Taxes Act 1988 (repayment supplements: individuals and others) there shall be substituted the following subsection—

“(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;
- (c) a surcharge imposed under section 59C of that Act; 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.”

- (2) For subsection (3) of that section there shall be substituted the following subsection—

“(3) For the purposes of subsection (1) above—

- (a) if the repayment is of an amount paid on account of income tax, the relevant time is either the date on which the amount became due and payable in accordance with section 59A of the Management Act or, if later, the date on which the amount was paid;
- (b) if the repayment is of income tax, the relevant time is either the 31st January next following the year of assessment for which the tax was charged or, if later, the date on which the tax was paid; and
- (c) if the repayment is of a penalty or surcharge, the relevant time is either the date following the expiry of 30 days from the date on which the penalty or surcharge was incurred or imposed or, if later, the date on which the penalty or surcharge was paid.”

- (3) The following shall cease to have effect, namely—

- (a) subsection (5) of that section;
- (b) in subsection (9) of that section the words “a partnership” and the words “(within the meaning of section 111 of the Finance Act 1989)”; and

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(c) subsection (10) of that section.

- (4) This paragraph, so far as it relates to partnerships whose trades, professions or businesses are set up and commenced before 6th April 1994, has effect as respects the year 1997-98 and subsequent years of assessment.

Interest on tax overpaid

- 42 In subsection (2) of section 826 of the Taxes Act 1988 (interest on tax overpaid), for the words “section 10” there shall be substituted the words “ section 59D of the Management Act (payment of corporation tax) ”.

Time limits for elections under Schedule 5

- 43 (1) In sub-paragraph (3) of paragraph 2 of Schedule 5 to the Taxes Act 1988 (farming: election for the herd basis), for the words from “not later” to the end there shall be substituted the following paragraphs—
- “(a) in the case of an election by a person chargeable to income tax, not later than twelve months from the 31st January next following the qualifying year of assessment;
 - (b) in the case of an election on behalf of persons in partnership, not later than twelve months from the 31st January next following the year of assessment in which the qualifying period of account ends; and
 - (c) in the case of an election by a person chargeable to corporation tax, not later than two years from the end of the qualifying accounting period.”
- (2) In sub-paragraph (4) of that paragraph, for paragraphs (a) and (b) there shall be substituted the following paragraphs—
- “(a) in a case falling within sub-paragraph (3)(a) above, for the qualifying year of assessment and all subsequent years;
 - (b) in a case falling within sub-paragraph (3)(b) above, for the qualifying period of account and all subsequent periods of account; and
 - (c) in a case falling within sub-paragraph (3)(c) above, for the qualifying accounting period and all subsequent accounting periods.”
- (3) After that sub-paragraph there shall be inserted the following sub-paragraphs—
- “(5) Where, in a case falling within sub-paragraph (3)(a) above, the commencement year immediately precedes the qualifying year of assessment, sub-paragraph (4)(a) above shall have effect as if the reference to the qualifying year of assessment were a reference to the commencement year.
 - (6) In this paragraph—
 - “commencement year”, in relation to a person chargeable to income tax, means the year of assessment in which his trade is set up and commenced;
 - “period of account”, in relation to persons in partnership, means any period for which accounts are drawn up;

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“qualifying accounting period”, in relation to a person chargeable to corporation tax, means the first accounting period during the whole or part of which it kept a production herd of the class in question;

“qualifying period of account”, in relation to persons in partnership, means the first period of account during the whole or part of which those persons kept such a herd;

“qualifying year of assessment”, in relation to a person chargeable to income tax, means the first year of assessment after the commencement year for which the amount of profits or gains or losses in respect of his farming is computed for tax purposes by reference to the facts of a period during the whole or part of which he kept such a herd.”

(4) In paragraph 6 of that Schedule, for sub-paragraphs (2) to (4) there shall be substituted the following sub-paragraphs—

“(2) An election for the herd basis made by virtue of sub-paragraph (1) above shall only be valid if made—

- (a) in the case of an election by a person chargeable to income tax, not later than twelve months from the 31st January next following the qualifying year of assessment;
- (b) in the case of an election on behalf of persons in partnership, not later than twelve months from the 31st January next following the year of assessment in which the qualifying period of account ends; and
- (c) in the case of an election by a person chargeable to corporation tax, not later than two years from the end of the qualifying accounting period.

(3) An election for the herd basis made by virtue of sub-paragraph (1) above shall, notwithstanding paragraph 2(4) above, have effect—

- (a) in a case falling within sub-paragraph (2)(a) above, for the qualifying year of assessment and all subsequent years;
- (b) in a case falling within sub-paragraph (2)(b) above, for the qualifying period of account and all subsequent periods of account; and
- (c) in a case falling within sub-paragraph (2)(c) above, for the qualifying accounting period and all subsequent accounting periods.

(4) In this paragraph—

“period of account”, in relation to persons in partnership, means any period for which accounts are drawn up;

“qualifying accounting period”, in relation to a person chargeable to corporation tax, means the first accounting period in which the compensation is relevant;

“qualifying period of account”, in relation to persons in partnership, means the first period of account in which the compensation is relevant;

“qualifying year of assessment”, in relation to a person chargeable to income tax, means the first year of assessment for

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which the amount of profits or gains or losses in respect of his farming falls to be computed for tax purposes by reference to the facts of a period in which the compensation is relevant.”

PART III

AMENDMENTS OF OTHER ENACTMENTS

Setting of rates of interest

- 44 In subsection (2)(f) of section 178 of the ^{M103}Finance Act 1989 (setting of rates of interest), for the words “sections 86, 86A, 87, 87A, and 88” there shall be substituted the words “ sections 59C, 86, 86A, 87, 87A, 88 and 103A ”.

Marginal Citations
M103 1989 c. 26.

Class 4 contributions

- 45 In subsection (1) of section 16 of the ^{M104}Social Security Contributions and Benefits Act 1992 (application of Income Tax Acts to class 4 contributions), for paragraph (b) there shall be substituted the following paragraph—
“(b) the provisions of Part VA (payment of tax) and Part X (penalties) of the Taxes Management Act 1970.”.

Marginal Citations
M104 1992 c. 4.

Repayment supplements: capital gains tax

- 46 (1) In subsection (1) of section 283 of the ^{M105}Taxation of Chargeable Gains Act 1992 (repayment supplements)—
(a) for the words from “for which” to “that year of assessment” there shall be substituted the words “ a repayment of that ta is made by the Board or an officer of the Board ”, and
(b) for the words “the end of the tax month in which” there shall be substituted the words “ the date on which ”.
- (2) For subsection (2) of that section there shall be substituted the following subsection—
“(2) For the purposes of subsection (1) above, the relevant time is either the 31st January next following the year of assessment for which the tax was payable or, if later, the date on which the tax was paid.”
- (3) In subsection (4) of that section, for the words from “partnership” to “section 701(9) of that Act)” there shall be substituted the words “ trust or ”.
- (4) Subsection (5) of that section shall cease to have effect.

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Marginal Citations

M105 1992 c. 12.

SCHEDULE 20

Section 218.

CHANGES FOR FACILITATING SELF-ASSESSMENT: TRANSITIONAL PROVISIONS AND SAVINGS

Assessment under Cases I and II of Schedule D

F7401.....

Textual Amendments

F740 Sch. 20 paras. 1-10 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(2\)](#), [Sch. 3](#) (with [Sch. 2](#))

F7402.....

Textual Amendments

F740 Sch. 20 paras. 1-10 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(2\)](#), [Sch. 3](#) (with [Sch. 2](#))

F7403.....

Textual Amendments

F740 Sch. 20 paras. 1-10 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(2\)](#), [Sch. 3](#) (with [Sch. 2](#))

Assessment under Case III of Schedule D

F7404.....

Textual Amendments

F740 Sch. 20 paras. 1-10 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(2\)](#), [Sch. 3](#) (with [Sch. 2](#))

F7405.....

Textual Amendments

F740 Sch. 20 paras. 1-10 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(2\)](#), [Sch. 3](#) (with [Sch. 2](#))

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Assessment under Cases IV and V of Schedule D

F7406

Textual Amendments
F740 Sch. 20 paras. 1-10 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(2\)](#), [Sch. 3](#) (with [Sch. 2](#))

F7407

Textual Amendments
F740 Sch. 20 paras. 1-10 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(2\)](#), [Sch. 3](#) (with [Sch. 2](#))

Loss relief

F7408

Textual Amendments
F740 Sch. 20 paras. 1-10 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(2\)](#), [Sch. 3](#) (with [Sch. 2](#))

Capital allowances

F7409

Textual Amendments
F740 Sch. 20 paras. 1-10 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(2\)](#), [Sch. 3](#) (with [Sch. 2](#))

Double taxation relief

F74010

Textual Amendments
F740 Sch. 20 paras. 1-10 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(2\)](#), [Sch. 3](#) (with [Sch. 2](#))

- 11
- (1) F741 ... this paragraph applies in the case of—

(a)

a trade, profession or vocation set up and commenced before 6th April 1994 and continuing after 5th April 1998; or

(b)

income from a source arising before the former date and continuing after the latter date.

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- (2) Sub-paragraph (3) below applies where—
- (a) credit against income tax for the year 1995-96 or any earlier year of assessment is or has been allowed by virtue of subsection (1) of section 804 of the Taxes Act 1988 in respect of any income (“the original income”), and
 - (b) the source of that income ceases in a subsequent year of assessment (“the subsequent year”).
- (3) The following shall be set off one against the other, namely—
- (a) the amount of the credit which, under Part XVIII of the Taxes Act 1988 (including section 804), has been allowed against income tax in respect of the original income, and
 - (b) the aggregate of—
 - (i) the amount of the credit which, apart from that section, would have been so allowed, and
 - (ii) the difference between the amount of the credit which, on the assumptions mentioned in sub-paragraph (4) below, would have been allowable under Part XVIII of that Act for the year 1996-97 and the amount of credit which has been so allowed;
- and if the amount given by paragraph (a) exceeds that given by paragraph (b) above, the person chargeable in respect of income (if any) arising in the subsequent year from the same source as the original income shall ^[F742]be chargeable for that year to an amount of income tax equal to the excess] ^[F743], and the person shall be liable for any tax so chargeable]
- (4) The assumptions are—
- (a) that the words “the appropriate percentage of” were omitted from paragraph 2(2) above;
 - (b) that the words “50 per cent. of” were omitted from paragraphs (a), (b) and (c) of paragraph 6(2) above; and
 - (c) that paragraph 10 above had not been enacted.
- (5) Where the period on the income of which income tax is chargeable for the year 1996-97 is that year, sub-paragraph (3) above shall have effect as if for paragraph (b) there were substituted the following paragraph—
- “(b) the amount of the credit which, apart from that section, would have been so allowed;”.
- (6) Any reference in sub-paragraph (2) or (3) above to section 804 or Part XVIII of the Taxes Act 1988 includes a reference to the corresponding provisions of any earlier enactments.

^{F744}(7)

Textual Amendments

- F741** Words in Sch. 20 para. 11(1) repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(3\)\(a\)](#), [Sch. 3](#) (with [Sch. 2](#))
- F742** Words in Sch. 20 para. 11(3) substituted (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), [Sch. 1 para. 363\(2\)](#) (with [Sch. 2](#))
- F743** Words in Sch. 20 para. 11(3) inserted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 472\(3\)\(c\)](#) (with [Sch. 2](#))

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F744 Sch. 20 para. 11(7) repealed (6.4.2007) by [Income Tax Act 2007 \(c. 3\)](#), s. 1034(1), Sch. 1 para. 363(3), [Sch. 3 Pt. 1](#) (with [Sch. 2](#))

F745 12

Textual Amendments

F745 Sch. 20 para. 12 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), Sch. 1 para. 472(4), [Sch. 3](#) (with [Sch. 2](#))

F746 13

Textual Amendments

F746 Sch. 20 para. 13 repealed (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), Sch. 1 para. 472(4), [Sch. 3](#) (with [Sch. 2](#))

Supplemental

14 (1) In this Schedule—

- (a) any reference to a source of income arising before any date (“the earlier date”) and continuing after or ceasing before some other date (“the later date”) is a reference to a source of income arising to any person before the earlier date and continuing to be possessed by that person after, or (as the case may be) ceasing to be possessed by that person before, the later date; and
- (b) any reference to a source of income includes a reference to a part of such a source.

(2) Where, as respects income from any source, income tax is to be charged under Case IV or V of Schedule D by reference to the amounts of income received in the United Kingdom, the source shall be treated for the purposes of this Schedule as arising on the date on which the first amount of income is so received.

SCHEDULE 21

Section 228.

LLOYD’S UNDERWRITERS: INDIVIDUALS

Year of assessment in which profits or losses arise

1 **F747** (1)

(2) Subsection (3) of that section shall cease to have effect.

(3) In this paragraph—

F747 (a)

- (b) sub-paragraph (2) has effect for the year 1996-97 and subsequent years of assessment.

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Textual Amendments

F747 Sch. 21 para. 1(1)(3)(a) repealed (31.7.1997 with effect in accordance with s. 36, Sch. 6 of the repealing Act) by 1997 c. 58, s. 52, **Sch. 8 Pt. II(11)**, Note

- 2 (1) In subsection (1) of section 172 of the 1993 Act (year of assessment in which profits or losses arise), for paragraphs (a) and (b) there shall be substituted the following paragraphs—
- “(a) in the case of profits or losses arising directly from his membership of one or more syndicates, those of any previous year or years which are declared in the corresponding underwriting year;
 - (b) in the case of profits or losses arising from assets forming part of a premiums trust fund, those allocated under the rules or practice of Lloyd’s to any previous year or years the profits or losses of which are declared in the corresponding underwriting year; and”.
- (2) Sub-paragraph (1) above does not have effect for the years 1994-95, 1995-96 and 1996-97, but in relation to those years that section shall have effect as if paragraphs (a) and (b) of subsection (1) were omitted.

Premiums trust funds

- 3 For subsection (1) of section 174 of the 1993 Act (premiums trust funds) there shall be substituted the following subsection—
- “(1) For the purposes of the Income Tax Acts and the Gains Tax Acts—
- (a) a member shall be treated as absolutely entitled as against the trustees to the assets forming part of a premiums trust fund of his; and
 - (b) where a deposit required by a regulatory authority in a country or territory outside the United Kingdom is paid out of such a fund, the money so paid shall be treated as still forming part of that fund.”

Reinsurance to close

- 4 (1) After subsection (4) of section 177 of the 1993 Act (reinsurance to close) there shall be inserted the following subsection—
- “(5) This section also applies in any case where the member to whom the premium is payable is a corporate member within the meaning of Chapter V of Part IV of the Finance Act 1994.”
- (2) This paragraph has effect for the underwriting year 1993 and subsequent underwriting years.

Stop-loss and quota share insurance

- 5 (1) In subsection (2) of section 178 of the 1993 Act (stop-loss and quota share insurance) —
- (a) for the word “him” there shall be substituted the words “a member”; and
 - (b) for the word “arose” there shall be substituted the words “was declared”.

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- (2) This paragraph has effect as respects insurance money and other amounts payable in respect of losses declared in the underwriting year 1997 or subsequent underwriting years.

Cessation etc.

- 6 (1) In section 179 of the 1993 Act (cessation: final year of assessment), subsection (3) and, in subsection (2), the words “to subsection (3) below and” shall cease to have effect.
- (2) After that section there shall be inserted the following section—

“179A Death of member.

- (1) This section applies where a member ceases to carry on his underwriting business by reason of death.
- (2) For the purposes of assessing the profits of the member's underwriting business, the member shall be treated as having died at the end of the year of assessment which corresponds to the underwriting year immediately preceding that in which he actually died.
- (3) For the purposes of the Income Tax Acts—
- (a) the carrying on of the member's underwriting business by his personal representatives shall not be treated as a change in the persons engaged in the carrying on of that business; and
- (b) subject to the provisions of any regulations made by the Board, the business shall be treated as continuing until the member's deposit at Lloyd's is paid over to his personal representatives.”
- (3) This paragraph has effect in any case where the member dies after the end of the year 1993-94.

Regulations

- 7 (1) In section 182 of the 1993 Act (regulations), subsections (2) to (4) shall cease to have effect.
- (2) This paragraph has effect for the year 1997-98 and subsequent years of assessment.

Interpretation

- 8 (1) In subsection (1) of section 184 of the 1993 Act (interpretation and commencement)
-
- (a) in the definition of “ancillary trust fund”, the words “or the managing agent of a syndicate of which he is a member” shall cease to have effect; and
- (b) in the definition of “member”, for the words “a member of Lloyd's who” there shall be substituted the words “an individual who is a member of Lloyd's and”.
- (2) In subsection (2)(c) of that section, for the word “agent”, in both places where it occurs, there shall be substituted the words “managing agent”.

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Assessment and collection of tax

F748⁹

Textual Amendments

F748 Sch. 21 para. 9 repealed (with effect in accordance with Sch. 11 Pt. 2(11) Note of the amending Act) by Finance (No. 2) Act 2005 (c. 22), Sch. 11 Pt. 2(11)

F749¹⁰

Textual Amendments

F749 Sch. 21 para. 10 repealed (with effect in accordance with Sch. 11 Pt. 2(11) Note of the amending Act) by Finance (No. 2) Act 2005 (c. 22), Sch. 11 Pt. 2(11)

F750¹¹

Textual Amendments

F750 Sch. 21 para. 11 repealed (31.7.1997 with effect as mentioned in the Note to Sch. 8 Pt. II(5) of the repealing Act) by 1997 c. 38, s. 52, Sch. 8 Pt. II(5)

Special reserve funds

- 12

(1) In Schedule 20 to the 1993 Act (special reserve funds), in paragraph 1(1) (preliminary), after the definition of “overall premium limit” there shall be inserted the following definition—

““payment”, unless the contrary intention appears, means a payment in money;”.
- (2) In paragraph 7(2) of that Schedule (payments out of fund on cessation), for the words “money’s worth” there shall be substituted the words “ in assets forming part of the fund ”.
- (3) This paragraph has effect for the year 1992-93 and subsequent years of assessment.
- 13

(1) For paragraph 8 of that Schedule (entitlement of member for tax purposes) there shall be substituted the following paragraph—

“8

(1) Subject to sub-paragraph (2) below, a member shall be treated for the purposes of the Income Tax Acts and the Gains Tax Acts as absolutely entitled as against the trustees to the assets forming part of his special reserve fund.

(2) Where an asset is disposed of by a member to the trustees of his special reserve fund, nothing in sub-paragraph (1) above shall affect the operation of the Gains Tax Acts in relation to that disposal.”

(2) This paragraph has effect for the year 1994-95 and subsequent years of assessment.

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- 14 (1) In sub-paragraphs (1) to (4) of paragraph 10 of that Schedule (tax consequences of payments into and out of fund), for the word “corresponding”, in each place where it occurs, there shall be substituted the word “relevant”.
- (2) After sub-paragraph (4) of that paragraph there shall be inserted the following sub-paragraph—
- “(5) In this paragraph “the relevant underwriting year”, in relation to a year of assessment, means the underwriting year next but two before its corresponding underwriting year.”
- (3) Sub-paragraphs (1) and (2) above do not have effect for the years 1994-95, 1995-96 and 1996-97, but in relation to those years that Schedule shall have effect as if paragraph 10 were omitted.
- 15 (1) In sub-paragraph (2) of paragraph 11 of that Schedule (tax consequences of cessation), for the words “the final year of assessment” there shall be substituted the words “the relevant year of assessment” and for the words “the relevant year” there shall be substituted the words “the relevant underwriting year”.
- (2) In sub-paragraphs (3) and (4) of that paragraph, for the words “the relevant year” there shall be substituted the words “the penultimate underwriting year”.
- (3) For sub-paragraph (5) of that paragraph there shall be substituted the following sub-paragraph—
- “(5) In this paragraph, subject to the provisions of any regulations made by the Board—
- “the penultimate underwriting year” means the underwriting year immediately preceding that in which the member’s deposit at Lloyd’s is paid over to him or his personal representatives or assigns;
- “the relevant underwriting year” means—
- (a) in the case of a member who dies before his deposit at Lloyd’s is paid over to him or his assigns, the underwriting year immediately preceding that corresponding to the relevant year of assessment; and
- (b) in any other case, the underwriting year immediately preceding that in which his deposit at Lloyd’s is paid over to him or his assigns;
- “the relevant year of assessment” means—
- (a) in the case of a member who dies before his deposit at Lloyd’s is paid over to him or his assigns, the year of assessment at the end of which he is treated, by virtue of section 179A(2) of this Act, as having died; and
- (b) in any other case, his final year of assessment.”
- 16 (1) In sub-paragraph (1) of paragraph 13 of that Schedule (winding up of old-style funds), the words from “and a transfer” to the end shall cease to have effect.
- (2) After sub-paragraph (5) of that paragraph there shall be inserted the following sub-paragraph—
- “(6) A transfer or payment under this paragraph of an amount of capital shall be in money or in assets forming part of the fund or both, as the member may direct.”

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- (3) This paragraph has effect for the year 1992-93 and subsequent years of assessment.

SCHEDULE 22

Sections 231 and 234.

SUPPLEMENTARY PROVISIONS AS TO ELECTIONS BY REFERENCE TO PIPE-LINE USAGE

PART I

PROCEDURE FOR AND IN CONNECTION WITH AN ELECTION

The election

- 1 (1) An election shall be made by serving it on the Board, shall be in such form as may be prescribed by the Board and shall contain such information as the Board may reasonably require with respect to—
 - (a) the oil field to which the election is to apply, the pipe-line by reference to which the election is being made and whether the election is to be limited in accordance with subsection (6) of section 231 of this Act;
 - (b) all other assets which, if the election were to be accepted, would at the date of the election be assets to which the election applies;
 - (c) the electing participator's interest in those assets;
 - (d) the sums to which, if the election is accepted, it is reasonable to expect that section 233 of this Act will apply and the sources, quantities and descriptions of oil which will give rise to those sums;
 - (e) any other oil field (whether taxable or non-taxable) in connection with which any of the assets referred to in paragraph (b) above is or is expected to be used or in respect of which services or other business facilities in connection with that use are or are expected to be provided; and
 - (f) the initial usage fraction and the amounts which make up the numerator and the denominator of that fraction.
- (2) The reference in sub-paragraph (1)(e) above to an oil field includes a reference to any area which the electing participator expects might be determined as an oil field under Schedule 1 to the principal Act.
- (3) An election shall include a declaration that it is correct and complete to the best of the knowledge and belief of the electing participator.
- (4) An election shall be irrevocable.

Conditions for acceptance of an election

- 2 (1) The Board shall reject an election if they are not satisfied—
 - (a) that the conditions relating to the pipe-line in paragraphs (a) to (d) of subsection (1) or in subsection (3) of section 231 of this Act are fulfilled; or
 - (b) that the conditions relating to the oil field or the participator in subsection (2) of that section are fulfilled; or
 - (c) that, if the election were to be accepted, the assets to which the election would apply (having regard to any limitation under subsection (6) of that

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section) have the capacity and characteristics, and are otherwise suitable, to handle the quantities and descriptions of oil specified in accordance with paragraph 1(1)(d) above.

- (2) Subject to sub-paragraph (3) below, the Board shall also reject an election if it appears to them—
 - (a) that any of the information required to be contained in the election by virtue of paragraph 1(1) above is incorrect; or
 - (b) that, after receiving notice in writing from the Board, the electing participator has failed to furnish to the Board on or before the specified date any information which the Board have reasonably required either with respect to the matters specified in paragraph 1(1) above or for the purpose of satisfying themselves as to the matters referred to in sub-paragraph (1) above.
- (3) Before rejecting an election under sub-paragraph (2)(a) above the Board may, if they think fit, by notice in writing give the electing participator an opportunity to correct any error in the information and, if he does so, the information shall then be treated as having been provided in the correct form.
- (4) In sub-paragraph (2)(b) above “the specified date” means such date as may be specified in the notice concerned, being a date not earlier than one month after the date on which the notice was given.
- (5) A notice under sub-paragraph (2)(b) above shall be given within the period of three months beginning on the date on which the election was received by the Board.

Notice of acceptance or rejection

- 3 (1) Notice of the acceptance or rejection of an election shall be served on the electing participator before the expiry of the period of three months beginning on whichever of the following dates is the later or latest—
 - (a) the date on which the election was received by the Board;
 - (b) if a notice was given under paragraph 2(2)(b) above relating to the election, the date or, as the case may be, the last date which is the specified date, as defined in paragraph 2(4) above, in relation to such a notice;
 - (c) if a notice was given under paragraph 2(3) above relating to the election, the date on which that notice was given.
- (2) If no such notice of acceptance or rejection is so served, the Board shall be deemed to have accepted the election and to have served notice of their acceptance on the last day of the period referred to in sub-paragraph (1) above.

Appeals

- 4 (1) Where the Board serve notice on an electing participator under paragraph 3 above rejecting an election, he may appeal ^{F751}... against the notice.
- (2) An appeal under sub-paragraph (1) above shall be made by notice of appeal served on the Board within thirty days beginning on the date of the notice in respect of which the appeal is brought.
- (3) Where, at any time after the service of notice of appeal under this paragraph and before the determination of the appeal by the [^{F752}tribunal], the Board and the appellant agree that the notice in respect of which the appeal is brought

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should stand or that the election to which it related should be accepted with or without modification, the same consequences shall ensue as if the [^{F752}tribunal] had determined the appeal to that effect.

(4) On the hearing of an appeal under this paragraph, the [^{F753}tribunal] shall either dismiss the appeal or allow it; and if the [^{F754}tribunal allows] the appeal, [^{F755}the tribunal shall] direct either—

- (a) that the election shall be accepted; or
- (b) that the election shall have effect subject to such modifications as may be specified in the direction and shall be accepted in its modified form.

[^{F756}(5) In an appeal under sub-paragraph (1)—

- (a) paragraphs 14(2), (8) and (11) and 14A to 14I of Schedule 2 to the principal Act shall apply as they apply in relation to an appeal against an assessment or determination made under that Act subject to any necessary modifications including the following;
- (b) any reference in those paragraphs to an agreement under paragraph 14(9) shall be construed as a reference to an agreement under sub-paragraph (3) above.]

(6) Any reference in this Chapter to an election accepted by the Board shall be construed as including a reference to an election accepted in pursuance of an appeal under this paragraph.

Textual Amendments

F751 Words in Sch. 22 para. 4(1) 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. 211(2)**

F752 Word in Sch. 22 para. 4(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. 211(3)**

F753 Word in Sch. 22 para. 4(4) 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. 211(4)(a)**

F754 Words in Sch. 22 para. 4(4) 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. 211(4)(b)**

F755 Words in Sch. 22 para. 4(4) 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. 211(4)(c)**

F756 Sch. 22 para. 4(5) 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. 211(5)**

Information to the responsible person

- 5 (1) Within thirty days of the relevant date, the electing participator shall furnish to the responsible person for the field to which the election applies (or would apply if the election were accepted) a copy of—
 - (a) any election made by him; and
 - (b) any notice under paragraph 3 above accepting or rejecting the election.
- (2) For the purposes of sub-paragraph (1) above, the relevant date is—
 - (a) in the case of an election made by the electing participator, the date on which it was served on the Board; and
 - (b) in the case of a notice under paragraph 3 above, the date on which the electing participator received it.

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- (3) In a case where paragraph 9 below applies (or would apply if an election were accepted) sub-paragraphs (1) and (2) above shall require the electing participator additionally to furnish copies of the same documents to the responsible person for any non-chargeable field mentioned in sub-paragraph (3) of that paragraph.
- (4) In a case where paragraph 11 below applies (or would apply if an election were accepted) sub-paragraphs (1) and (2) above shall require the electing participator additionally to furnish copies of the same documents to the old participator referred to in that paragraph.

Penalties for incorrect information

- 6 Where a participator fraudulently or negligently furnishes any incorrect information or makes any incorrect declaration in or in connection with an election he shall be liable to a penalty not exceeding—
 - (a) in the case of negligence, £50,000, and
 - (b) in the case of fraud, £100,000.

Re-opening election decisions on grounds of incorrect information

- 7 (1) Without prejudice to paragraph 6 above, this paragraph applies if, at any time after notice of the acceptance of an election has been served by the Board, it appears to the Board that, as a result of an error in the information furnished to the Board, the election should not have been accepted.
- (2) If, in a case where this paragraph applies, either—
 - (a) the error was attributable, in whole or in part, to the fraudulent or negligent conduct of the electing participator or a person acting on his behalf, or
 - (b) on the error coming to the notice of the electing participator, or a person acting on his behalf, the error was not remedied without unreasonable delay,
 the Board may serve on the electing participator and on the responsible person for the field to which the election applies a notice rescinding the acceptance and stating what appears to the Board to be the correct position.
- (3) When a notice under sub-paragraph (2) above becomes effective, the election shall be treated as having been rejected in accordance with paragraph 3 above.
- (4) If, in a case where this paragraph applies,—
 - (a) neither of the conditions in sub-paragraph (2) above is fulfilled, and
 - (b) the Board are of the opinion that, if the correct information had been furnished, the election could have been accepted,
 the election shall be treated as having been made and accepted subject to such modifications (being modifications to correct the effect of the error) as the Board may direct, by notice served on the electing participator and on the responsible person for the field to which the election applies.
- (5) A notice served under sub-paragraph (2) or sub-paragraph (4) above shall become effective either—
 - (a) on the expiry of the period during which notice of appeal against the notice may be served on the Board under paragraph 8 below without such notice of appeal being served; or

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- (b) where such notice of appeal is served, when the notice can no longer be varied or quashed by the [^{F757}tribunal] or by the order of any court.

Textual Amendments

F757 Word in Sch. 22 para. 7(5)(b) 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. 212](#)

Appeals against re-opening notices

- 8 (1) This paragraph applies where the Board serve notice under sub-paragraph (2) or sub-paragraph (4) of paragraph 7 above; and in the following provisions of this paragraph such a notice is referred to as a “re-opening notice”.
- (2) The electing participator may, by notice of appeal served on the Board within thirty days beginning on the date of the re-opening notice, appeal ^{F758}... against the re-opening notice.
- (3) A notice of appeal under sub-paragraph (2) above shall state the grounds on which the appeal is brought.
- (4) An appeal under this paragraph may at any time [^{F759}before it is notified to the tribunal] be abandoned by notice served on the Board by the electing participator.
- (5) A re-opening notice may be withdrawn at any time before it becomes effective.
- (6) In any case where—
- (a) the electing participator serves notice of appeal against a re-opening notice served under sub-paragraph (4) of paragraph 7 above, and
 - (b) before the appeal is determined by the [^{F760}tribunal] , the Board and the electing participator agree as to the modifications necessary to correct the effect of the error concerned,
- the re-opening notice shall take effect subject to such modifications as may be necessary to give effect to that agreement; and thereupon the appeal shall be treated as having been abandoned.
- (7) Subject to sub-paragraph (8) below, on an appeal against a re-opening notice the [^{F761}tribunal] may vary the notice, quash the notice or dismiss the appeal; and the notice may be varied whether or not the variation is to the advantage of the electing participator.
- (8) The provisions relating to the variation of a re-opening notice referred to in sub-paragraph (7) above shall not apply in respect of any such notice served under sub-paragraph (2) of paragraph 7 above.
- [^{F762}(9) In an appeal under sub-paragraph (2)—
- (a) paragraphs 14A to 14I of Schedule 2 to the principal Act shall apply as they apply in relation to an appeal against an assessment or determination made under that Act subject to any necessary modifications including the following;
 - (b) any reference in those paragraphs to an agreement under paragraph 14(9) shall be construed as a reference to an agreement under sub-paragraph (6) above.]

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Textual Amendments

- F758** Words in Sch. 22 para. 8(2) 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. 213\(2\)](#)
- F759** Words in Sch. 22 para. 8(4) 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. 213\(3\)](#)
- F760** Word in Sch. 22 para. 8(6)(b) 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. 213\(4\)](#)
- F761** Word in Sch. 22 para. 8(7) 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. 213\(4\)](#)
- F762** Sch. 22 para. 8(9) 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. 213\(5\)](#)

PART II

SUPPLEMENTARY PROVISIONS

Assets used in connection with more than one taxable field

- 9 (1) The provisions of this paragraph apply where—
- an election is in operation; and
 - any of the assets to which the election applies is used or expected to be used in connection with two or more taxable fields.
- (2) Any reference in this paragraph to allowable expenditure has the same meaning as in Part II of Schedule 1 to the 1983 Act and is a reference to expenditure incurred on an asset to which the election applies.
- (3) Sub-paragraph (4) below applies if, by virtue of paragraph 5 of Schedule 1 to the 1983 Act (which, in a case falling within this paragraph, provides for the apportionment of allowable expenditure between two or more fields), any part of the allowable expenditure is apportioned to a taxable field (a “non-chargeable field”) other than the field to which the election applies.
- (4) Where this sub-paragraph applies, then, so far as concerns the electing participator (as a participator in a non-chargeable field), section 232 of this Act shall apply in relation to that part of the allowable expenditure which is apportioned to the non-chargeable field as it applies in relation to the part apportioned to the field to which the election applies.

Transfer of interests

- 10 (1) If, while an election is in operation, the electing participator (or a person who is treated as an electing participator by virtue of this paragraph) transfers the whole or part of his interest in the field to which the election applies, then, so far as concerns that interest or part, the new participator shall thereafter be treated as the electing participator for the purposes of this Chapter, other than paragraph 11 below, and, in particular,—
- any restriction on the amount of expenditure allowed or allowable by virtue of section 232 of this Act shall continue to apply to any expenditure relief

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transferred to the new participator under paragraph 6 of Schedule 17 to the ^{M106}Finance Act 1980; and

- (b) any relief from tax under section 233 of this Act shall apply in relation to the new participator as it applied in relation to the old participator.

- (2) If, in a case where paragraph 9 above applies, the electing participator, as a participator in the non-chargeable field (within the meaning of that paragraph) transfers the whole or part of his interest in that field, sub-paragraph (1) above (except paragraph (b)) shall apply in relation to that transfer as if—

- (a) any reference to the field to which the election applies were a reference to the non-chargeable field; and
- (b) any reference to the electing participator were a reference to him in his capacity as a participator in the non-chargeable field.

- (3) In sub-paragraph (1) above the expressions “the old participator” and “the new participator” have the same meaning as in Schedule 17 to the Finance Act 1980.

Marginal Citations

M106 1980 c. 48.

- 11 (1) This paragraph applies in any case where—
- (a) the electing participator acquired the whole or any part of his interest in the field to which the election applies as a result of a transfer to which Part I of Schedule 17 to the ^{M107}Finance Act 1980 applies (so that the electing participator is the new participator); and
- (b) some or all of the relief in respect of any expenditure incurred (before the transfer) on any asset to which the election applies did not fall to be transferred to the electing participator (whether by virtue of paragraph 6 or paragraph 7 of that Schedule).
- (2) With regard to so much of the expenditure referred to in sub-paragraph (1)(b) above as falls to be taken into account under paragraph (b)(i) or paragraph (c)(i) of subsection (9) of section 2 of the principal Act in computing, for any chargeable period ending before the transfer period, the assessable profit or allowable loss accruing to the old participator or any predecessor of his, section 232 of this Act shall apply in the case of the old participator or, as the case may be, his predecessor as it is expressed to apply in the case of the electing participator.
- (3) If, as a result of the operation of sub-paragraph (2) above, there is a reduction in the amount which would otherwise be the accumulated capital expenditure of the old participator at the end of the last chargeable period before the transfer period, paragraph 8 of Schedule 17 to the Finance Act 1980 shall be taken to have transferred a correspondingly reduced amount to the electing participator.
- (4) In this paragraph—
- (a) the expressions “the old participator”, “the new participator” and “the transfer period” have the same meaning as in Schedule 17 to the Finance Act 1980; and
- (b) any reference to a predecessor of the old participator is a reference to a person who (before the transfer referred to in sub-paragraph (1)(a) above) transferred the whole or part of his interest in the field to which the election

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applies either to the old participator or to another person who is a predecessor in title of the old participator in respect of that interest or part.

Marginal Citations

M107 1980 c. 48.

Transfer of elected assets

- 12 (1) This paragraph applies if there is a disposal of an asset which, immediately before the disposal or at an earlier time, was an asset to which an election applies; and in this paragraph—
- (a) “the asset transferred” means the asset so disposed of;
 - (b) “the vendor” means the electing participator or other person by whom the asset is disposed of.
- (2) Where a person has incurred expenditure on the acquisition of a transferred asset, he shall be treated for the purposes of the expenditure relief provisions as having incurred that expenditure only to the extent that it does not exceed the amount which, having regard to section 232 of this Act or the previous operation of this paragraph, was (in the case of the vendor) allowable under those provisions immediately before the disposal in respect of his expenditure on the asset.
- (3) Any expenditure incurred on the asset after the disposal shall be left out of account for the purposes of the expenditure relief provisions.

Restriction of relief for expenditure incurred after 30th November 1993 and before the date of an election

- 13 (1) This paragraph applies if, after 30th November 1993 and before the date of an election, expenditure was incurred by the electing participator under a contract—
- (a) for the acquisition from any other person of, or of an interest in, an asset to which the election applies; or
 - (b) for the provision by any other person of services or other business facilities of whatever kind in connection with the use of an asset to which the election applies.
- (2) If, in a case where this paragraph applies, the other person referred to in paragraph (a) or paragraph (b) of sub-paragraph (1) above (“the contractor”) has performed his obligations by entering into one or more further contracts, the contractor shall be treated for the purposes of subsection (2) of section 191 of the ^{M108}Finance Act 1993 (time when expenditure is incurred) as having performed his obligations under the contract only to the extent that, at that time, the asset or interest in question has been acquired by or, as the case may be, the services or other business facilities have been provided to, the electing participator.

Marginal Citations

M108 1993 c. 34.

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SCHEDULE 23

Section 236.

AMENDMENTS OF THE PRINCIPAL ACT RELATING TO VALUATION OF LIGHT GASES

- 1 (1) In section 2 (assessable profits and allowable losses), in subsection (5) (amounts to be included in calculation of gross profit or loss) in each of paragraphs (b) and (c), after the word “oil”, in the first place where it occurs, there shall be inserted “ (not being light gases) ” and after paragraph (c) there shall be inserted—
 - “(ca) the market value, ascertained in accordance with paragraph 3A of Schedule 3 to this Act, of so much of any light gases so won and disposed of by him otherwise than in sales at arm’s length as was delivered by him in the period; and
 - (cb) the market value, ascertained in accordance with paragraph 3A of Schedule 3 to this Act, of so much of any light gases so won as was relevantly appropriated by him in the period without being disposed of; and”.
- (2) In subsection (9) of that section (amounts to be taken into account in determining amount of debit or credit in respect of expenditure), in paragraph (a)—
 - (a) in sub-paragraph (i) the words “or, as the case may be” shall be omitted;
 - (b) in that sub-paragraph after the words “delivery was made” there shall be inserted the words “ or (in the case of light gases) its market value as determined in accordance with paragraph 3A of Schedule 3 to this Act, as the case may require ”; and
 - (c) at the end of sub-paragraph (ii) there shall be inserted the words “ or (in the case of light gases) the market value as determined in accordance with paragraph 3A of Schedule 3 to this Act ”.
- 2 In Schedule 2 (management and collection of PRT), in paragraph 2(2) (returns by participators), in paragraph (a)(iii) after the words “delivery was made” and in paragraph (b)(ii) after the word “made” there shall be inserted the words “ or (in the case of light gases) the market value as determined in accordance with paragraph 3A of Schedule 3 to this Act ”.
- 3 (1) In Schedule 3 (miscellaneous provisions relating to PRT), in paragraph 2 (definition of market value of oil)—
 - (a) at the beginning of sub-paragraph (1) there shall be inserted the words “ Except in the case of light gases ”; and
 - (b) at the end of that sub-paragraph there shall be added the words “ and, accordingly, references in the following provisions of this paragraph to oil do not apply to light gases ”.
- (2) In paragraph 2A of that Schedule (definition of market value of oil consisting of or including gas), after sub-paragraph (1) there shall be inserted the following sub-paragraph—

“(1A) Sub-paragraphs (2) and (3) below also apply where the market value of any light gases falls to be ascertained under paragraph 3A below.”
- (3) In sub-paragraph (2) of paragraph 2A, after the words “paragraph 2 above”, in each place where they occur, there shall be inserted “ or, as the case may require, sub-paragraph (2)(b) of paragraph 3A below ”.

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- (4) In sub-paragraph (3) of paragraph 2A, after the words “paragraph 2”, in the first place where they occur, there shall be inserted “ or, as the case may require, in accordance with paragraph 3A below ”.
 - (5) Sub-paragraph (4) of paragraph 2A shall be omitted.
- 4 After paragraph 3 of Schedule 3 (aggregate market value of oil) there shall be inserted—

“ Definition of market value of light gases

- 3A (1) The market value of any light gases for the purposes of this Part of this Act is the price at which, having regard to all the circumstances relevant to the disposal or appropriation in question, light gases of that kind might reasonably have been expected to be sold under a contract of sale satisfying the conditions specified in sub-paragraph (2) below.
- (2) The conditions referred to in sub-paragraph (1) above are that—
- (a) the contract is for the sale of the gases at arm’s length to a willing buyer;
 - (b) the contract requires the gases to have been subjected to appropriate initial treatment before delivery; and
 - (c) the contract requires the gases to be delivered—
 - (i) in the case of gases extracted in the United Kingdom, at the place of extraction; or
 - (ii) in the case of gases extracted from strata in the sea bed and subsoil of the territorial sea of the United Kingdom or of a designated area, at the place in the United Kingdom or another country at which the seller could reasonably be expected to deliver the gases or, if there is more than one such place, the one nearest to the place of extraction.
- (3) If the circumstances referred to in sub-paragraph (1) above are such that the price referred to in that sub-paragraph might reasonably be expected to include—
- (a) any such payments as are referred to in subsection (2) of section 114 of the Finance Act 1984 (treatment of certain payments relating to gas sales), or
 - (b) any capacity payments, as defined in subsection (5) of that section,
- section 114 of the Finance Act 1984 shall apply accordingly in relation to the notional contract specified in sub-paragraph (1) above as it applies in relation to an actual contract.
- (4) This paragraph has effect subject to sub-paragraphs (2) and (3) of paragraph 2A above.”

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SCHEDULE 24

Section 252.

PROVISIONS RELATING TO THE RAILWAYS ACT 1993

Interpretation

1 (1) In this Schedule—

F763

“the Board” means the British Railways Board;

[^{F764}“the Capital Allowances Act” means the Capital Allowances Act 2001 and includes, where the context admits, enactments which under the Taxes Act 1988 are to be treated as contained in the Capital Allowances Act 2001;]

“fixture” has the same meaning as it has in [^{F765}Chapter 14 of Part 2 of the Capital Allowances Act];

“franchise company” has the meaning given by section 85(8) of the ^{M109}Railways Act 1993;

“the Franchising Director” means the Director of Passenger Rail Franchising;

“the Gains Act” means the ^{M110}Taxation of Chargeable Gains Act 1992;

“predecessor”, in relation to any relevant transfer, means the body from which the property, rights or liabilities in question are transferred by virtue of the restructuring scheme in question;

“property”, “rights” and “liabilities” have the same meaning as they have in Part II of the Railways Act 1993;

“publicly owned railway company” has the same meaning as it has in the Railways Act 1993;

“relevant transfer” means a transfer of any property, rights or liabilities by virtue of a restructuring scheme;

“restructuring scheme” means a section 85 transfer scheme made by, or pursuant to a direction of, the Secretary of State, if and to the extent that the transfer scheme provides for the transfer of property, rights or liabilities from—

- (a) the Board,
- (b) a wholly owned subsidiary of the Board,
- (c) a publicly owned railway company, or
- (d) a company which is wholly owned by the Franchising Director,

to any other body falling within paragraphs (a) to (d) above;

“section 85 transfer scheme” means a scheme made under or by virtue of section 85 of the Railways Act 1993;

“subsidiary” has the meaning given by section 736 of the ^{M111}Companies Act 1985;

“successor company” has the same meaning as it has in Part II of the Railways Act 1993;

“transfer date” shall be construed in accordance with section 85(6) of the Railways Act 1993;

“transfer scheme” means a scheme made under or by virtue of section 85 or 86 of the Railways Act 1993;

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“transferee”, in relation to a relevant transfer, means the body to which the property, rights or liabilities in question are transferred by virtue of the restructuring scheme in question;

“wholly owned subsidiary” has the meaning given by section 736 of the ^{M112}Companies Act 1985.

- (2) Section 151(2) and (3) of the ^{M113}Railways Act 1993 (companies wholly owned by the Crown or the Franchising Director) shall have effect for the purposes of this Schedule as it has effect for the purposes of that Act.
- (3) Any reference in this Schedule to “assignment” shall be construed in Scotland as a reference to “assignment”.
- (4) This Schedule—
 - (a) so far as it relates to income tax, shall be construed as one with the Income Tax Acts,
 - (b) so far as it relates to corporation tax, shall be construed as one with the Corporation Tax Acts, and
 - (c) so far as it relates to capital allowances, shall be construed as one with [^{F766}the Capital Allowances Act].

Textual Amendments

- F763** Definition in Sch. 24 para. 1(1) repealed (22.3.2001 with effect as mentioned in s. 579(1) of the repealing Act) by 2001 c. 2, ss. 579, 580, Sch. 2 para. 91(1), Sch. 4
- F764** Definition in Sch. 24 para. 1(1) inserted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, Sch. 2 para. 91(1)(b)
- F765** Words in definition in Sch. 24 para. 1(1) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, Sch. 2 para. 91(1)(c)
- F766** Words in Sch. 24 para. 1(4)(c) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, Sch. 2 para. 91(2)

Marginal Citations

- M109** 1993 c. 43.
M110 1992 c. 12.
M111 1985 c. 6.
M112 1985 c. 6.
M113 1993 c. 43.

Chargeable gains: transfer to be without gain or loss

- 2 (1) For the purposes of the Gains Act, where there is a relevant transfer, the disposal of property, rights and liabilities which is constituted by that transfer shall, subject to the following provisions of this Schedule, be taken, in relation to the transferee as well as the predecessor, to be for a consideration such that no gain or loss accrues to the predecessor.

^{F767}(2)

- (3) Section 171(1) of the Gains Act (which makes provision in relation to the disposal of assets from one member of a group of companies to another member of the group) shall not apply where the disposal in question is a relevant transfer.

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Textual Amendments

F767 Sch. 24 para. 2(2) omitted (21.7.2008 with effect in accordance with Sch. 2 para. 71 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 2 para. 70\(b\)\(i\)](#)

Chargeable gains: receipt of compensation or insurance policies

- 3 (1) Subsection (4) of section 23 of the Gains Act (adjustments where compensation or insurance money used for purchase of replacement asset) shall have effect in accordance with sub-paragraph (3) below in any case where—
- (a) there is a relevant transfer such that—
 - (i) any capital sum received by the predecessor by way of compensation for the loss or destruction of any asset, or under a policy of insurance of the risk of the loss or destruction of any asset, becomes available to the transferee; or
 - (ii) any right of the predecessor to receive such a sum is transferred to the transferee, and the transferee receives that sum; and
 - (b) the transferee acquires an asset in circumstances where—
 - (i) had there been no such relevant transfer, and
 - (ii) had the predecessor acquired the asset by the application of that sum, the predecessor would be treated for the purposes of that subsection as having so acquired the asset in replacement for the asset lost or destroyed.
- (2) Subsection (5) of that section (adjustments where a part of any compensation or insurance money is used for the purchase of a replacement asset) shall have effect in accordance with sub-paragraph (3) below in any case where—
- (a) there is a relevant transfer such that—
 - (i) any capital sum received by the predecessor by way of compensation for the loss or destruction of any asset, or under a policy of insurance of the risk of the loss or destruction of any asset, becomes available to the transferee; or
 - (ii) any right of the predecessor to receive such a sum is transferred to the transferee, and the transferee receives that sum; and
 - (b) the transferee acquires an asset in circumstances where—
 - (i) had there been no such relevant transfer, and
 - (ii) had the predecessor acquired the asset by the application of all of that sum except for a part which was less than the amount of the gain (whether all chargeable gain or not) accruing on the disposal of the asset lost or destroyed, the predecessor would be treated for the purposes of that subsection as having so acquired the asset in replacement for the asset lost or destroyed.
- (3) In a case falling within sub-paragraph (1) or (2) above, subsection (4) or, as the case may be, subsection (5) of section 23 of the Gains Act shall have effect as if the transferee and the predecessor were the same person, except that—
- (a) in a case falling within sub-paragraph (1)(a)(i) or (2)(a)(i) above—
 - (i) any claim under the subsection in question must be made by the predecessor and the transferee; and

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- (ii) any adjustment to be made in consequence of paragraph (a) of that subsection shall be made for the purposes only of the taxation of the predecessor; and
- (b) in a case falling within sub-paragraph (1)(a)(ii) or (2)(a)(ii) above—
 - (i) any claim under the subsection in question must be made by the transferee; and
 - (ii) any adjustment to be made in consequence of paragraph (a) of that subsection shall be made for the purposes only of the taxation of the transferee.

Chargeable gains: section 30 of the Gains Act

- 4 (1) Nothing in Part II or III of the ^{M114}Railways Act 1993, and no instrument or agreement made, or other thing done, under or by virtue of either of those Parts, shall be regarded as a scheme or arrangement for the purposes of section 30 of the Gains Act (value-shifting).
- (2) In any case where—
- (a) an asset which is the subject of a relevant transfer or qualifying disposal has previously been the subject of a scheme or arrangements falling within subsection (1) of that section,
 - (b) in consequence, subsection (5) of that section (consideration on disposal to be treated as increased for certain purposes) would, apart from sub-paragraph (3) below, have had effect in relation to the consideration for the relevant transfer or qualifying disposal, and
 - (c) the consideration for the relevant transfer or qualifying disposal falls to be determined under paragraph 2 above or paragraph 7(2), 11(3) or 25(2) below, sub-paragraph (3) below shall apply.
- (3) Where this sub-paragraph applies—
- (a) the said subsection (5) shall not have effect in relation to the consideration for the relevant transfer or qualifying disposal; but
 - (b) on the first subsequent disposal of the asset which is neither a relevant transfer or qualifying disposal nor a group disposal—
 - (i) that subsection shall have effect in relation to the consideration for that disposal (whether or not it would otherwise have done so); and
 - (ii) the increase that falls to be made under that subsection shall be so calculated as to include any increase which would, but for paragraph (a) above, have fallen to be made in relation to the relevant transfer or qualifying disposal.
- (4) In this paragraph—
- “group disposal” means a disposal which falls to be treated by virtue of section 171(1) of the Gains Act as made for a consideration such that no gain or loss accrues to the person making the disposal;
 - “qualifying disposal” means—
 - (a) a disposal to which paragraph 7(2) below applies; or
 - (b) a disposal falling within paragraph 11(3) or 25(2) below.

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Commencement Information

I23 Sch. 24 para. 4 in force retrospectively (5.11.1993 as to para. 4(1) and otherwise 11.1.1994) as mentioned in s. 252(2)(3).

Marginal Citations

M114 1993 c. 43.

Chargeable gains: section 41 of the Gains Act

- 5 Subsection (1) of section 174 of the Gains Act (which applies section 41 of that Act to cases where assets have been acquired without gain or loss) shall have effect, without prejudice to paragraph 2 above or paragraph 7(2), 11(3) or (4) or 25(2) below, where there has been—
- (a) a relevant transfer,
 - (b) a disposal to which paragraph 7(2) below applies, or
 - (c) a disposal falling within paragraph 11(3) or (4) or 25(2) below,
- as if the asset to which the transfer or disposal relates had thereby been transferred and acquired in relevant circumstances, within the meaning of that subsection.

Chargeable gains: roll-over relief

- 6 (1) Subject to the following provisions of this paragraph, where any asset, or any interest in an asset, is the subject of a relevant transfer, sections 152 to 160 of the Gains Act (roll-over relief on replacement of business assets) shall have effect as if—
- (a) the asset or interest had been acquired by the transferee—
 - (i) at the time at which, and for the consideration for which, the predecessor acquired it; and
 - (ii) for the purpose of the asset's use in a trade carried on by the transferee (and not wholly or partly for the purpose of realising a gain from the disposal of the asset or interest), but only to the extent that the predecessor's acquisition was for the purpose of the asset's use in a trade carried on by him (and not wholly or partly for the purpose of realising a gain from the disposal of the asset or interest);
 - (b) throughout the period during which the asset or interest was owned by the predecessor, it had been owned by the transferee; and
 - (c) to the extent that the predecessor—
 - (i) used the asset, or
 - (ii) in the case of an asset falling within head A of Class 1 in section 155 of that Act, used and occupied the asset,
 during that period for the purposes of a trade carried on by him, the transferee had used or, as the case may be, used and occupied the asset for the purposes of a trade carried on by him.
- (2) In any case where—
- (a) a held-over gain would, but for the provisions of section 154 of the Gains Act (depreciating assets), have been carried forward to a depreciating asset, and
 - (b) that asset is the subject of a relevant transfer,

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that section shall have effect as if the gain had accrued to, and the claim for it to be held over had been made by, the transferee and as if the predecessor's acquisition of the depreciating asset had been the transferee's acquisition of that asset.

- (3) Where an asset, or an interest in an asset, is the subject of a relevant transfer, the predecessor shall not be entitled at any time after the coming into force of the relevant transfer to make any claim under section 152 or 153 of the Gains Act in respect of his acquisition of the asset or interest.
- (4) Where an asset, or an interest in an asset, is the subject of a relevant transfer, the transferee shall not, by virtue of any provision of this Schedule, be treated for the purposes of sections 152 to 154 of the Gains Act as having applied the whole or any part of the consideration for any disposal—
 - (a) in acquiring the asset or interest by virtue of the relevant transfer; or
 - (b) in acquiring the asset or interest as postulated in sub-paragraph (1)(a) above, if the predecessor has made a claim under section 152 or 153 of that Act in respect of his acquisition of the asset or interest.
- (5) Without prejudice to paragraph 1(4)(b) above, expressions used in sub-paragraph (2) above and in section 154 of the Gains Act have the same meaning in that sub-paragraph as they have in that section.

*Chargeable gains: agreements and instruments by
virtue of section 91(1)(c) of the Railways Act 1993*

- 7 (1) Sub-paragraph (2) below applies to any disposal effected pursuant to an obligation imposed by a section 85 transfer scheme by virtue of section 91(1)(c) of the ^{M115}Railways Act 1993 (obligations to enter into agreements or execute instruments) if the person making the disposal is—
 - (a) the Board,
 - (b) a wholly owned subsidiary of the Board,
 - (c) a publicly owned railway company, or
 - (d) a company which is wholly owned by the Franchising Director,and the person to whom the disposal is made is either a person falling within paragraphs (a) to (d) above or the Franchising Director.
- (2) A disposal to which this sub-paragraph applies shall be taken for the purposes of corporation tax on chargeable gains, in relation to the person to whom the disposal is made as well as the person making the disposal, to be effected for a consideration such that no gain or loss accrues to the person making the disposal.
- (3) Section 171(1) of the Gains Act (transfers within a group) shall not apply where the disposal in question is one to which sub-paragraph (2) above applies.
- (4) Section 17 of that Act (disposals and acquisitions treated as made at market value) shall not have effect in relation to a disposal or the corresponding acquisition if—
 - (a) the disposal is effected pursuant to an obligation imposed by a section 85 transfer scheme by virtue of section 91(1)(c) of the ^{M116}Railways Act 1993,
 - (b) the person making the disposal is either a person falling within paragraphs (a) to (d) of sub-paragraph (1) above or the Franchising Director, and
 - (c) the person making the corresponding acquisition is neither a person falling within those paragraphs nor the Franchising Director,

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unless the person making the disposal is connected with the person to whom the disposal is made.

- (5) In this paragraph, “the corresponding acquisition”, in the case of any disposal, means the acquisition made by the person to whom the disposal is made.

Marginal Citations

M115 1993 c. 43.

M116 1993 c. 43.

Chargeable gains: group transactions

- 8 (1) For the purposes of section 179 of the Gains Act (company ceasing to be a member of a group), where any company (“the degrouped company”) ceases, by virtue of a qualifying transaction, to be a member of a group of companies, the degrouped company shall not, by virtue of that qualifying transaction, be treated under that section as having sold, and immediately reacquired, any asset acquired from a company which was at the time of acquisition a member of that group.
- (2) Where sub-paragraph (1) above applies in relation to any asset, section 179 of the Gains Act shall have effect on the first subsequent occasion on which the degrouped company ceases to be a member of a group of companies (the “subsequent group”), otherwise than by virtue of a qualifying transaction, as if both the degrouped company and the company from which the asset was acquired had been members of the subsequent group at the time of acquisition.
- (3) Where, disregarding any preparatory transactions, a company would be regarded for the purposes of section 179 of the Gains Act (and, accordingly, of this paragraph) as ceasing to be, or becoming, a member of a group of companies by virtue of a qualifying transaction, it shall be regarded for those purposes as so doing by virtue of the qualifying transaction and not by virtue of any preparatory transactions.
- (4) In this paragraph—
 “preparatory transaction” means anything done under or by virtue of Part II of the Railways Act 1993 for the purpose of initiating, advancing or facilitating the qualifying transaction in question;
 “qualifying transaction” means—
 (a) a relevant transfer;
 (b) any other transfer or disposal under or by virtue of section 85, 88(6) or (7) or 89 of the Railways Act 1993.
- (5) Expressions used in this paragraph and in section 179 of the Gains Act have the same meaning in this paragraph as they have in that section.

Chargeable gains: disposal of debts

- 9 (1) Where by virtue of any relevant transfer—
 (a) any debt owed to the predecessor is transferred to the transferee, and
 (b) the predecessor would, apart from this sub-paragraph, be the original creditor in relation to that debt for the purposes of section 251 of the Gains Act (disposal of debts),

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that Act shall have effect as if the transferee and not the predecessor were the original creditor for those purposes.

- (2) Where, by virtue of any relevant transfer, any obligations of the predecessor under a guarantee of the repayment of a loan are transferred to the transferee, the transferee shall be treated for the purposes of section 253(4) of the Gains Act (relief for guarantors) as a person who gave the guarantee.

- (3) In any case where—

- (a) by virtue of any relevant transfer, a debt owed to the predecessor is transferred to the transferee,
- (b) that debt is either—
 - (i) a right to the repayment of any amount outstanding as principal on a loan which is a qualifying loan for the purposes of either of sections 253 ^{F768} . . . of the Gains Act (relief for irrecoverable debts owed by traders and payments under guarantees), or
 - (ii) a right to recover any amount paid under a guarantee of the repayment of such a loan or of a loan which would be such a loan but for section 253(1)(c) of that Act (exclusion of debts not on security), and
- (c) no allowable loss in respect of the amount mentioned in paragraph (b)(i) or (ii) above has been claimed by the predecessor under either of sections 253 ^{F768} . . . of that Act before the coming into force of the relevant transfer,

those sections shall have effect with the modifications set out in sub-paragraph (4) below.

- (4) Those modifications are—

- (a) that the loan or, as the case may be, the guarantee shall be treated as if it had been made or given by the transferee, and
- (b) that any payment made under the guarantee by the predecessor shall be treated as if it had been made by the transferee,

and those sections shall accordingly have effect as if there had been no assignment of the right to recover the principal of the loan or of any right to recover an amount paid under the guarantee.

- (5) In any case where—

- (a) a debt falling within sub-paragraph (3)(b) above is transferred by virtue of a relevant transfer, and
- (b) before the coming into force of the relevant transfer, the predecessor has claimed a loss in respect of the amount mentioned in sub-paragraph (3)(b) (i) or (ii) above under section 253 ^{F768} . . . of the Gains Act,

the relevant transfer shall not be treated as an assignment of the debt for the purposes of those sections and sub-paragraph (2) above shall not have effect in relation to the transferee, so far as relating to the amount mentioned in paragraph (b) above.

- (6) In any case where—

- (a) any right to the recovery of an amount falling within subsection (3) of section 253 of the Gains Act (relief in respect of certain irrecoverable loans) is transferred by virtue of a relevant transfer,
- (b) an allowable loss determined by reference to that amount has been treated under that subsection as accruing to the predecessor, and

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- (c) the whole or any part of that amount is at any time recovered by the transferee or by a company in the same group of companies as the transferee,
 that Act shall have effect as if a chargeable gain equal to so much of the allowable loss as corresponds to the amount recovered had accrued to the transferee or, as the case may be, to the company in the same group as the transferee.
- (7) In any case where—
- (a) any right to the recovery of an amount falling within subsection (4) of section 253 of the Gains Act is transferred by virtue of a relevant transfer,
 - (b) an allowable loss determined by reference to that amount has been treated under that subsection as accruing to the predecessor, and
 - (c) the whole or any part of the amount mentioned in subsection (4)(a), or the whole or any part of the amount of the payment mentioned in subsection (4)(b), of that section is at any time recovered by the transferee or by a company in the same group of companies as the transferee,
- that Act shall have effect as if a chargeable gain equal to so much of the allowable loss as corresponds to the amount recovered had accrued to the transferee or, as the case may be, to the company in the same group as the transferee.
- (8) In any case where—
- (a) any right to recovery of the relevant outstanding amount, as defined in subsection (11) of section 254 of the Gains Act, is transferred by virtue of a relevant transfer,
 - (b) an allowable loss determined by reference to that amount has been treated under subsection (2) of that section (relief for debts on qualifying corporate bonds) as accruing to the predecessor, and
 - (c) the whole or any part of that amount is at any time recovered by the transferee or by a company in the same group of companies as the transferee,
- that Act shall have effect as if a chargeable gain equal to so much of the allowable loss as corresponds to the amount recovered had accrued to the transferee or, as the case may be, to the company in the same group as the transferee.
- (9) In any case where sub-paragraph (6), (7) or (8) above applies in relation to an allowable loss, subsections (7) and (8) of section 253 of the Gains Act^{F768} . . . (which deem a chargeable gain to arise where an amount treated as an allowable loss is recovered by another company in the same group) shall not apply in relation to that allowable loss.
- (10) Expressions used in this paragraph and in section 253^{F768} . . . of the Gains Act have the same meaning in this paragraph as they have in that section.

Textual Amendments

F768 Words in Sch. 24 para. 9 repealed (the repeals coming into force in accordance with the provisions of Pt. IV Ch. II (ss. 80-105) of the repealing Act) by 1996 c.8, ss. 105, 205, Sch. 41 Pt. V(3), Note

Chargeable gains: assets held before 6th April 1965

- 10 Schedule 2 to the Gains Act (assets held on 6th April 1965) shall have effect in relation to any assets which vest in the transferee by virtue of a relevant transfer as if—

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- (a) the predecessor and the transferee were the same person; and
- (b) those assets, to the extent that they were in fact acquired or provided by the predecessor, were acquired or, as the case may be, provided by the transferee.

Chargeable gains: miscellaneous disposals and acquisitions

- 11 (1) In this paragraph, “relevant disposal” means—
- (a) a disposal by virtue of a section 85 transfer scheme, other than a restructuring scheme, to the extent that the scheme provides for the transfer of property, rights and liabilities of—
 - (i) the Board,
 - (ii) a wholly owned subsidiary of the Board,
 - (iii) a publicly owned railway company, or
 - (iv) a company which is wholly owned by the Franchising Director,to a franchise company or to the Franchising Director;
 - (b) a disposal pursuant to a direction under section 88(6) or (7) or 89 of the ^{M117}Railways Act 1993;
 - (c) a disposal by or pursuant to an agreement or instrument made or executed, transaction effected or direction given under or by virtue of paragraph 2, 3 or 14(2) of Schedule 8 to that Act, in a case where the transfer scheme in question is a section 85 transfer scheme, other than a restructuring scheme; or
 - (d) a disposal pursuant to a requirement imposed under paragraph 7(2)(b) of that Schedule, in a case where the transfer to which that Schedule applies is a transfer by virtue of a section 85 transfer scheme.
- (2) Subject to sub-paragraph (3) below, section 17 of the Gains Act (disposals and acquisitions treated as made at market value) shall not have effect—
- (a) in relation to a relevant disposal or the corresponding acquisition,
 - (b) in relation to an acquisition by a franchise company, in a case where the corresponding disposal is a disposal by the Franchising Director by virtue of a section 85 transfer scheme, or
 - (c) in relation to a disposal of a historical record or artefact in accordance with directions under section 125 of the ^{M118}Railways Act 1993 (railway heritage),
- unless, in a case falling within paragraph (a) or (b) above, the person making the disposal is connected with the person making the acquisition.
- (3) Where there is a relevant disposal of an asset of—
- (a) the Board,
 - (b) a subsidiary of the Board,
 - (c) a publicly owned railway company, or
 - (d) a company wholly owned by the Franchising Director,
- to the Franchising Director or a company wholly owned by the Crown, the disposal shall be taken for the purposes of the Gains Act, in relation to the person making the disposal and, if the disposal is made to a company wholly owned by the Crown, the person to whom the disposal is made, to be for a consideration such that no gain or loss accrues on the disposal.
- (4) Where there is a disposal of a historical record or artefact in accordance with directions under section 125 of the ^{M119}Railways Act 1993 and the disposal is either—

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- (a) for a consideration not exceeding the sums which are allowable as a deduction under section 38 of the Gains Act (consideration for, and incidental costs of, original acquisition etc), or
- (b) for no consideration,

the disposal shall be taken for the purposes of the Gains Act, in relation to the person to whom the disposal is made as well as the person making the disposal, to be for a consideration such that no gain or loss accrues on the disposal.

(5) In this paragraph—

“the corresponding acquisition”, in the case of any disposal, means the acquisition made by the person to whom the disposal is made;

“the corresponding disposal” in the case of any acquisition, means the disposal to the person by whom the acquisition is made.

Marginal Citations

M117 1993 c. 43.

M118 1993 c. 43.

M119 1993 c. 43.

Transfers of trading stock

12 (1) This paragraph applies in any case where—

- (a) by virtue of a relevant transfer, any trading stock belonging to a trade carried on by the predecessor (“the predecessor’s trade”) vests in the transferee, and
- (b) the trading stock is acquired by the transferee as trading stock for the purposes of a trade which he carries on or which he begins to carry on after the relevant transfer (“the transferee’s trade”).

(2) Where this paragraph applies, the trading stock in question shall, for the purposes (whether in relation to the predecessor or the transferee) of computing for the purposes of the Corporation Tax Acts the [^{F769}profits] of the predecessor’s trade and the transferee’s trade,—

- (a) be taken to have been both disposed of by the predecessor and acquired by the transferee in the course of those trades and (subject to that) at the time when the transfer comes into force; and
- (b) be valued in each case as if that disposal and acquisition had been for a consideration which in relation to the predecessor would have resulted in neither a profit nor a loss being brought into account in respect of the disposal in the accounting period of the predecessor which is current at that time.

(3) In this paragraph “trading stock” has the same meaning as in section 100 of the Taxes Act 1988.

Textual Amendments

F769 Words in Sch. 24 para. 12(2) substituted (31.7.1998) by 1998 c. 36, s. 46(3), **Sch. 7 para. 9**

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Transfer of rights to receipts

- 13 Where, by virtue of any relevant transfer, there is transferred any right of the predecessor to receive any amount which is for the purposes of corporation tax—
- (a) an amount brought into account as a trading receipt of the predecessor for any accounting period ending before the time when the transfer comes into force, or
 - (b) an amount falling to be so brought into account if it is assumed, where it is not the case, that the accounting period of the predecessor current on the day before the transfer comes into force ends immediately before that time,
- the transfer shall not require any modification of the way in which that amount has been and is to be treated in relation to the predecessor for those purposes or entitle any amount due or paid in respect of that right to be treated as a trading receipt of the transferee for any accounting period.

Transfer of liabilities

- 14 (1) If the whole or any part of the amount of a liability transferred by virtue of a relevant transfer falls, for the purposes of corporation tax,—
- (a) to be brought into account as deductible in computing the predecessor's profits, or any description of the predecessor's profits, for any accounting period ending before the time when the transfer comes into force, or
 - (b) to be so brought into account if it is assumed, where it is not the case, that the accounting period of the predecessor current on the day before the transfer comes into force ends immediately before that time,
- then the transfer shall not require any modification of the way in which that amount or, as the case may be, that part of that amount has been or is to be treated in relation to the predecessor for those purposes or entitle any amount due or paid in respect of that liability or, as the case may be, the corresponding part of that liability to be deductible in computing the transferee's profits, or any description of the transferee's profits, for any accounting period.
- (2) If and to the extent that the amount of any liability which, in consequence of any relevant transfer, falls to be discharged by the transferee is an amount which would (but for that and any other transfer) have fallen to be deductible in computing the predecessor's profits, or any description of the predecessor's profits, for any accounting period beginning with the coming into force of the transfer or at any subsequent time, that amount shall, to that extent,—
- (a) not be so deductible; but
 - (b) subject to sub-paragraph (3) below, be deductible in computing the transferee's profits to the same extent as if the transferee had become subject to the obligation in pursuance of which the liability arises or has arisen at the same time and for the same consideration, and otherwise on the same terms and in the same circumstances, as the predecessor;
- and for the purposes of this sub-paragraph it shall be assumed, where it is not the case, that the accounting period of the predecessor current on the day before the transfer comes into force ends immediately before the coming into force of that transfer.
- (3) For the purposes of corporation tax, where any relevant transfer has the effect that any liability falls to any extent to be discharged by the transferee instead of by the predecessor, the amounts deductible in computing the transferee's profits, or any description of the transferee's profits, for any accounting period shall not include

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any amount in respect of so much of that liability as falls to be so discharged unless it is an amount which (but for that and any other transfer) would have fallen to be deductible in computing the predecessor's profits, or any description of the predecessor's profits, for any accounting period beginning or ending after the coming into force of that transfer.

- (4) The preceding provisions of this paragraph shall apply in relation to the deduction of charges on income against the total profits of the predecessor or transferee for any period as they apply in relation to the deduction of any amount in the computation for that period of the profits of the predecessor or, as the case may be, of the transferee.
- (5) For the purposes of Chapter II of Part VI of the Taxes Act 1988 (definition of distributions), where in the case of any relevant transfer any consideration given or treated as given in respect of a security relating to—
 - (a) any liability, or
 - (b) the use of the principal to which any liability, being a liability to interest or an equivalent liability, relates,

would fall (apart from this sub-paragraph) to be regarded for those purposes as new consideration received by the predecessor, that consideration shall be treated instead, to the extent that it relates to so much of the liability as falls in consequence of the transfer to be discharged by the transferee, as if it were new consideration received by the transferee.

Trading losses

- 15 (1) Subject to the following provisions of this paragraph, where as a result of a relevant transfer, the predecessor falls to be regarded for the purposes of section 343 of the Taxes Act 1988 (company reconstructions without change of ownership) as ceasing to carry on a trade and the transferee falls to be regarded for the purposes of that section as beginning to carry on that trade—
 - (a) the transferee shall not, by virtue of those matters, be entitled to any relief under section 393(1) (trading losses) of that Act to which it would, apart from this paragraph, have been entitled by virtue of section 343(3) of that Act; and
 - (b) after the coming into force of the relevant transfer, the loss in question shall continue to be regarded for the purposes of the Corporation Tax Acts as a loss incurred in the trade for the time being carried on by the predecessor to the same extent as it would have been so regarded apart from the relevant transfer (and shall be eligible for relief accordingly).
- (2) The following provisions of this paragraph apply in any case where—
 - (a) a restructuring scheme makes express provision for the transfer from the predecessor to the transferee of the right to obtain tax relief in respect of such an amount of the predecessor's unrelieved trading losses or unrelieved transferred losses as may be specified in, or determined in accordance with, the scheme; and
 - (b) after the relevant date the transferee carries on, or begins to carry on, any trade (whether or not the trade, or a part of the trade, carried on by the predecessor);

and any reference in this paragraph to a transferred loss is a reference to the amount mentioned in paragraph (a) above.

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- (3) The transferee shall be entitled to relief under section 393(1) of the Taxes Act 1988 for the transferred loss, as for a loss sustained by the transferee in carrying on its trade, but the transferred loss may only be set off against trading income of the transferee which arises in an accounting period throughout which the transferee is a public sector railway company.
- (4) Where the transferee ceases to be a public sector railway company, it shall be assumed for the purposes of giving relief by virtue of sub-paragraph (3) above that—
- (a) on the occasion of the cessation (unless a true accounting period of the transferee ends then) an accounting period of the transferee ends and a new one begins, the new accounting period to end with the end of the true accounting period; and
 - (b) the amount of the trading income for the true accounting period of the transferee against which the relief may be allowed is apportioned to the component accounting periods;
- and any apportionment under this sub-paragraph shall be on a time basis according to the respective lengths of the component accounting periods except that, if it appears that that method would work unreasonably or unjustly, such other method shall be used as appears just and reasonable.
- (5) Relief by virtue of sub-paragraph (3) above in respect of a transferred loss shall be given against the trading income of any accounting period of the transferee before relief is given against that income in respect of losses incurred by the transferee after the relevant date.
- (6) As from the relevant date—
- (a) the amount of the predecessor's unrelieved transferred losses (if any) shall be regarded for the purposes of this paragraph as reduced by an amount equal to the transferred loss; and
 - (b) if the transferred loss exceeds the amount of the predecessor's unrelieved transferred losses before the reduction under paragraph (a) above, or if there are no such losses, the predecessor's unrelieved trading losses shall be regarded for the purposes of the Corporation Tax Acts as reduced by the amount of that excess or, as the case may be, by an amount equal to the transferred loss.
- (7) Without prejudice to the generality of sub-paragraphs (1) and (3) above, if the conditions in subsection (1) of section 343 of the Taxes Act 1988 become satisfied at any time on or after the relevant date in relation to any trade (or, where subsection (8) of that section applies, any part of a trade which falls to be treated for the purposes of that section as a separate trade), the company which is the successor, within the meaning of that section, shall not become entitled to relief by virtue of subsection (3) of that section in respect of any amount for which the company which is the predecessor, within the meaning of that section, would have been entitled to relief by virtue of sub-paragraph (3) above had it continued to carry on the trade (or the part of the trade which falls to be treated as a separate trade).
- (8) Subject to sub-paragraph (9) below, the provisions of a restructuring scheme providing for the determination of the amount which is to be that of any transferred loss may include provision—
- (a) for such a determination to be made by the Secretary of State in such manner as may be described in the scheme;

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- (b) for any amount determined to be calculated by reference to such factors, or to the opinion of such person, as may be so described; and
 - (c) for a determination under those provisions to be capable of being modified, on one or more occasions, in such manner and in such circumstances as may be so described.
- (9) The consent of the Treasury shall be required for the making or modification of a determination of any such amount as is mentioned in sub-paragraph (8) above; and the consent of the transferee shall also be required for any such modification after the coming into force of the relevant transfer.
- (10) Where there is a determination, or a modification of a determination, for any purposes of this paragraph, all necessary adjustments shall be made by making assessments or by repayment or discharge of tax, and shall be so made notwithstanding any limitation on the time within which assessments may be made.
- (11) For the purposes of this paragraph, a transferee is at any time a “public sector railway company” if, and only if, it is at that time—
 - (a) the Board;
 - (b) a wholly owned subsidiary of the Board;
 - [^{F770}(ba) a wholly owned subsidiary of the Strategic Rail Authority;]
 - (c) a publicly owned railway company; or
 - (d) a company wholly owned by the Crown.
- (12) In this paragraph—
 - “the relevant date” means the date on which the transfer mentioned in sub-paragraph (2)(a) above takes effect;
 - “trading income” has the same meaning as it has in section 393 of the Taxes Act 1988;
 - “unrelieved trading losses” means any losses—
 - (a) which were incurred by the predecessor in carrying on a trade in accounting periods ending before the relevant date, or
 - (b) for which the predecessor has, by virtue of section 343(3) of the Taxes Act 1988, become entitled to relief under section 393(1) of that Act,
 and which would, apart from the restructuring scheme mentioned in sub-paragraph (2)(a) above, have fallen to be set off under the said section 393(1) against trading income of the predecessor arising in the accounting period in which the relevant date falls;
 - “unrelieved transferred losses” means so much of a transferred loss as would, apart from the restructuring scheme mentioned in sub-paragraph (2) (a) above, have fallen to be set off under section 393(1) of the Taxes Act 1988, as it applies by virtue of sub-paragraph (3) above, against trading income of the predecessor arising in the accounting period in which the relevant date falls.
- (13) It shall be assumed for the purposes of the definitions of “unrelieved trading losses” and “unrelieved transferred losses” in sub-paragraph (12) above (if it is not in fact the case) that the trading income mentioned in those definitions is at least equal to the aggregate amount of the losses in question of each of those descriptions.

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Textual Amendments

F770 Sch. 24 para. 15(11)(ba) inserted (15.1.2001) by 2000 c. 38, s. 252, **Sch. 27 para. 50(2)**; S.I. 2000/3376, art. 2

No reduction in allowable losses on extinguishment of certain liabilities

- 16 Where any of the liabilities of a successor company are extinguished by virtue of section 106(1) of the ^{M120}Railways Act 1993, section 400 of the Taxes Act 1988 (reduction of allowable losses on write-off of government investment) shall not have effect in relation to any amount of government investment in a body corporate which, apart from this paragraph, would thereby fall to be regarded as written-off for the purposes of that section.

Marginal Citations

M120 1993 c. 43.

Group relief

- 17 (1) The existence of the powers of the Secretary of State or the Franchising Director under Part II of the Railways Act 1993 shall not be regarded as constituting arrangements falling within subsection (1) or (2) of section 410 of the Taxes Act 1988 (arrangements for the transfer of a company to another group or consortium).
- (2) Nothing in Part II of the Railways Act 1993, and no direction given by the Secretary of State under or by virtue of any provision of that Part, shall be regarded as constituting option arrangements for the purposes of paragraph 5B of Schedule 18 to the Taxes Act 1988.
- (3) Arrangements relating to the transfer, pursuant to any provision of Part II of the Railways Act 1993, of shares of a subsidiary of the Board to—
- (a) the Secretary of State,
 - (b) the Franchising Director,
 - (c) a publicly owned railway company,
 - (d) a company which is wholly owned by the Crown, or
 - (e) a person acting on behalf of a person falling within any of paragraphs (a) to (d) above,
- shall not, so far as so relating, be regarded as constituting arrangements falling within subsection (1)(b)(i) or (ii) of section 410 of the Taxes Act 1988.
- (4) Arrangements relating to the transfer, by virtue of a section 85 transfer scheme, of the whole or any part of a trade carried on by the Board or a wholly owned subsidiary of the Board to—
- (a) a publicly owned railway company, or
 - (b) a company wholly owned by the Franchising Director,
- shall not, so far as so relating, be regarded as constituting arrangements falling within section 410(1)(b)(iii) of the Taxes Act 1988.

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- (5) Arrangements relating to the transfer, pursuant to any provision of Part II of the Railways Act 1993, of shares of a subsidiary of the Board, or shares of a company owned by a consortium, to—
- (a) the Secretary of State,
 - (b) the Franchising Director,
 - (c) a publicly owned railway company,
 - (d) a company which is wholly owned by the Crown, or
 - (e) a person acting on behalf of a person falling within any of paragraphs (a) to (d) above,
- shall not, so far as so relating, be regarded as constituting arrangements falling within section 410(2)(b)(ii) of the Taxes Act 1988.
- (6) None of sub-paragraphs (3) to (5) above shall have effect in relation to any arrangements if—
- (a) notwithstanding the provisions of those sub-paragraphs, the arrangements to any extent fall within section 410(1) or (2) of the Taxes Act 1988; or
 - (b) the arrangements form part of a series of subsisting arrangements which to any extent—
 - (i) relate to the transfer of any shares or assets of, or the whole or any part of the trade carried on by, a company to which the first-mentioned arrangements relate, and
 - (ii) notwithstanding the provisions of sub-paragraphs (3) to (5) above, fall within section 410(1) or (2) of the Taxes Act 1988.
- (7) Section 413(6)(a) of the Taxes Act 1988 (company owned by a consortium) shall have effect for the purposes of sub-paragraph (5) above as it has effect for the purposes of Chapter IV of Part X of that Act.
- (8) In this paragraph—
- “arrangements” has the same meaning as in section 410 of the Taxes Act 1988;
 - “shares” includes stock.

Securities issued under section 98 or 106 of the Railways Act 1993

- 18 (1) Subject to sub-paragraph (2) below, any shares issued by a relevant company in pursuance of section 98 or 106 of the ^{M121}Railways Act 1993 (initial share holding in, and extinguishment of certain liabilities of, successor companies) shall be treated for the purposes of the Corporation Tax Acts as if they had been issued wholly in consideration of a subscription paid to that company (and attributable equally between those shares) of an amount equal—
- (a) in the case of shares issued under section 98 of that Act, to the value, as at the transfer date, of the property, rights and liabilities vested in that company in accordance with the transfer scheme mentioned in subsection (1) of that section, or
 - (b) in the case of shares issued under section 106 of that Act, to the amount of the liabilities extinguished by the order under subsection (1) of that section,
- reduced, in either case, by the principal sum payable under any debentures issued by the company in pursuance of the section in question.

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- (2) Where two or more classes of share are issued by a relevant company in pursuance of section 98 or, as the case may be, section 106 of the Railways Act 1993—
- (a) the issued shares of each of those classes shall be valued, as at the day on which, in consequence of section 98(4) or, as the case may be, section 106(5) of that Act, no more shares can be directed to be issued by the company under the section in question;
 - (b) the amount of the consideration mentioned in sub-paragraph (1) above shall be apportioned between those classes of share in proportion to the aggregate value of the issued shares of each of those classes, as determined pursuant to paragraph (a) above; and
 - (c) the portion attributed to any class of share pursuant to paragraph (b) above shall be divided by the number of issued shares of that class, the resulting amount being referred to in the following provisions of this sub-paragraph as the “appropriate price” for a share of that class;
- and each of the issued shares of any of those classes shall be treated for the purposes of the Corporation Tax Acts as if it had been issued wholly in consideration of a subscription paid to the relevant company of an amount equal to the appropriate price for a share of that class.
- (3) Any debenture issued by a relevant company in pursuance of section 98 or 106 of the ^{M122}Railways Act 1993 shall be treated for the purposes of the Corporation Tax Acts as if it had been issued—
- (a) wholly in consideration of a loan made to that company of an amount equal to the principal sum payable under the debenture; and
 - (b) wholly and exclusively for the purposes of the trade or business carried on by that company.
- (4) If any debenture issued as mentioned in sub-paragraph (3) above includes provisions 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.
- (5) The value required to be determined for the purposes of sub-paragraph (1)(a) or (2)(a) above is market value, as defined in section 272 of the Gains Act.
- (6) In this paragraph—
- “company” means a body corporate;
 - “relevant company” means a company which is—
 - (a) a successor company; or
 - (b) in the application of this paragraph in relation to shares or debentures issued pursuant to section 106 of the ^{M123}Railways Act 1993, the company, or one of the companies, wholly owning (within the meaning of that section) the successor company whose liabilities are extinguished by the order under subsection (1) of that section.

Marginal Citations

M121 1993 c. 43.

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

M122 1993 c. 43.

M123 1993 c. 43.

Leased assets

- 19 (1) For the purposes of section 781 of the Taxes Act 1988 (assets leased to traders and others), where the interest of the lessor or the lessee under a lease, or any other interest in an asset, vests in any person by virtue of a relevant transfer—
- (a) the transfer shall (notwithstanding anything in section 783(4) of that Act) be treated as made without any capital sum having been obtained in respect of that interest by the predecessor or the transferee; and
 - (b) in a case where the interest is an interest under a lease, payments made by the predecessor under the lease before the coming into force of the transfer shall be treated as if they had been made under that lease by the transferee.
- (2) No charge shall arise under section 781(1) of the Taxes Act 1988 by virtue of section 783(2) of that Act in a case where the capital sum mentioned in section 781(1)(b)(i) or (ii) of that Act is the consideration obtained (or treated by section 783(4) of that Act as obtained) by the Board on a disposal pursuant to a direction under Part II of the ^{M124}Railways Act 1993 of securities of a subsidiary of the Board.
- (3) The grant of a lease of an asset—
- (a) by a person to an associate of his, pursuant to an obligation imposed by a restructuring scheme by virtue of section 91(1)(c) of the ^{M125}Railways Act 1993,
 - (b) by a person to an associate of his, pursuant to paragraph 2 of Schedule 8 to that Act in connection with a restructuring scheme, or
 - (c) by the Board, any of the Board's wholly owned subsidiaries, a publicly owned railway company or a company wholly owned by the Franchising Director to an associate of the grantor, pursuant to a direction under that Act,
- shall be treated for the purposes of section 781 of the Taxes Act 1988 (notwithstanding anything in section 783(4) of that Act) as made without any capital sum having been obtained by the grantor.
- (4) No charge shall arise under section 781(1) of the Taxes Act 1988 in a case where the capital sum mentioned in section 781(1)(b)(i) or (ii) of that Act is the consideration obtained (or treated by section 783(4) of that Act as obtained) on a disposal of, or of an interest in, rolling stock by—
- (a) the Board,
 - (b) a wholly owned subsidiary of the Board,
 - (c) a publicly owned railway company,
 - (d) a company wholly owned by the Franchising Director, or
 - (e) a body which, at the time when it acquired the rolling stock, fell within paragraph (b), (c) or (d) above,
- in any case where before, at or after the time when the disposal is made the lessee's interest in a lease of the rolling stock has belonged to an associate of the person making the disposal.
- (5) Section 782 of the Taxes Act 1988 (leased assets: special cases) shall not apply to payments made by—
- (a) the Board,

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- (b) a wholly owned subsidiary of the Board,
- [^{F771}(ba) the Strategic Rail Authority,
- (bb) a wholly owned subsidiary of the Strategic Rail Authority,]
- (c) a publicly owned railway company,
- (d) a company wholly owned by the Franchising Director,
- (e) a successor company, or
- (f) a franchise company,

under a lease of an asset which at any time before the creation of the lease was used by a body falling within paragraphs (a) to (d) above for the purposes of a trade carried on by that body and which was, when so used, owned by that body.

- (6) Section 781 of the Taxes Act 1988 shall not, by virtue of sub-paragraph (5) above, apply to any payments to which, by virtue of section 782 of that Act, it would not have applied apart from that sub-paragraph.

- (7) In this paragraph—

“asset” has the meaning given by section 785 of the Taxes Act 1988;

“associate” shall be construed in accordance with section 783(10) of that Act;

“capital sum” has the meaning given by section 785 of that Act;

“lease” has the meaning given by section 785 of that Act;

“rolling stock” has the meaning given by section 83(1) of the ^{M126}Railways Act 1993;

“securities” has the meaning given by [^{F772}section 102A(2)] of the Financial Services and Markets Act 2000.

Textual Amendments

F771 Sch. 24 para.19(5)(ba)(bb) inserted (15.1.2001) by 2000 c. 38, s. 252, Sch. 27 para. 50(3); S.I. 2000/3376, art. 2

F772 Words in Sch. 24 para. 19(7) substituted (1.4.2013) by Financial Services Act 2012 (c. 21), s. 122(3), Sch. 18 para. 79(3) (with Sch. 20); S.I. 2013/423, art. 3, Sch.

Marginal Citations

M124 1993 c. 43.

M125 1993 c. 43.

M126 1993 c. 43.

Continuity in relation to capital allowances etc where trade transferred

- 20 (1) Subject to the following provisions of this Schedule, where, apart from this paragraph—

- (a) the predecessor would be treated for the purposes of the Corporation Tax Acts as having ceased, by virtue of the coming into force of a relevant transfer, to carry on any trade, and
- (b) the transferee would be treated as having begun, on the coming into force of that transfer, to carry it on,

then ^{F773}... sub-paragraphs (2) to (4) below shall apply.

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- (2) Subject to sub-paragraphs (3) and (4) below, in a case falling within sub-paragraph (1) above—
 - (a) there shall be made to or on the transferee in accordance with [^{F774}the Capital Allowances Act] all such allowances and charges as would, if the predecessor had continued to carry on the trade, have fallen to be made to or on the predecessor; and
 - (b) the amount of any such allowance or charge shall be computed as if—
 - (i) the transferee had been carrying on the trade since the predecessor began to do so; and
 - (ii) everything done to or by the predecessor had been done to or by the transferee (but so that the relevant transfer itself, so far as it relates to any assets in use for the purpose of the trade, shall not be treated as giving rise to any such allowance or charge).
- (3) For the purposes of the Corporation Tax Acts, only such amounts (if any) as may be specified in or determined in accordance with the restructuring scheme providing for a relevant transfer shall be allocated to the transferee in respect of expenditure by reference to which capital allowances may be made by virtue of sub-paragraph (2) above in relation to anything to which the transfer relates.
- (4) Sub-paragraph (2) above shall affect the amounts falling to be taken into account in relation to the predecessor as expenditure by reference to which capital allowances may be made only so far as necessary to give effect to a reduction of any such amount by a sum equal to so much of that amount as is allocated to the transferee as mentioned in sub-paragraph (3) above.
- (5) Subject to sub-paragraph (6) below, the provisions of a restructuring scheme providing for the determination of any amount which for the purposes of sub-paragraph (3) above is to be allocated, in the case of any relevant transfer, to the transferee may include provision—
 - (a) for such a determination to be made by the Secretary of State in such manner as may be described in the scheme;
 - (b) for any amount determined to be calculated by reference to such factors or to the opinion of such person as may be so described; and
 - (c) for a determination under those provisions to be capable of being modified, on one or more occasions, in such manner and in such circumstances as may be so described.
- (6) The consent of the Treasury shall be required for the making or modification of a determination of any such amount as is mentioned in sub-paragraph (5) above; and the consent of the transferee shall also be required for any such modification after the coming into force of the relevant transfer.
- (7) This sub-paragraph applies in any case where assets which are the subject of a relevant transfer became vested in the predecessor by virtue of a transfer made by a company; and in any such case—
 - (a) if the predecessor held a direct or indirect interest in the company at the time of the transfer by the company, that interest shall be treated for the purposes of sub-paragraph (2)(b)(ii) above as if it had instead been held by the transferee;
 - (b) if the company held a direct or indirect interest in the predecessor at the time of the transfer by the company, the interest which the company held in

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- the predecessor shall be treated for the purposes of sub-paragraph (2)(b)(ii) above as if it had instead been the corresponding interest in the transferee; and
- (c) if there was a person who, at the time of the transfer by the company, held—
- (i) a direct or indirect interest in the predecessor, and
 - (ii) a direct or indirect interest in the company,
- the interest which that person held at that time in the predecessor shall be treated for the purposes of sub-paragraph (2)(b)(ii) above as if it had instead been the corresponding interest in the transferee.
- (8) Neither section 343 of the Taxes Act 1988 (company reconstructions without change of ownership) nor [^{F775}sections 266 and 267 of the Capital Allowances Act (election where predecessor and successor are connected persons)] shall have effect in a case falling within sub-paragraph (1) above.
- (9) In determining whether sub-paragraph (1) above has effect in relation to a relevant transfer in a case where—
- (a) the predecessor continues to carry on any trade or part of a trade after the coming into force of the transfer, or
 - (b) the transferee was carrying on any trade before the coming into force of the transfer,
- the trade or part of a trade which is continued or, as the case may be, was being carried on shall for the purposes of that sub-paragraph be treated in relation to any trade or part of a trade which is transferred by virtue of the transfer as a separate trade and shall accordingly be disregarded.
- (10) Where there is a determination, or a modification of a determination, for any purposes of this paragraph, all necessary adjustments shall be made by making assessments or by repayment or discharge of tax, and shall be so made notwithstanding any limitation on the time within which assessments may be made.

Textual Amendments

- F773** Words in Sch. 24 para. 20(1) repealed (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by [Corporation Tax Act 2009 \(c. 4\)](#), s. 1329(1), [Sch. 1 para. 398](#), [Sch. 3 Pt. 1](#) (with [Sch. 2 Pts. 1, 2](#))
- F774** Words in Sch. 24 para. 20(1)(2)(a) substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2, ss. 578, 579](#), [Sch. 2 para. 91\(3\)](#)
- F775** Words in Sch. 24 para. 20(8) substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2, ss. 578, 579](#), [Sch. 2 para. 91\(4\)](#)

Capital allowances in certain cases where paragraph 20 does not apply

- 21 (1) [^{F776}The Capital Allowances Act] shall have effect in accordance with this paragraph in relation to any property if—
- (a) it is property to which a relevant transfer relates; and
 - (b) paragraph 20 above does not apply in relation to its transfer to the transferee;
- and in this paragraph “the relevant scheme”, in relation to property to which a relevant transfer relates, means the restructuring scheme that provides for that transfer.

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(2) In any case where—

- (a) [^{F777}section 573 of the Capital Allowances Act (transfers treated as sales) as it applies for the purposes of Part 3 of that Act] applies on the relevant transfer in relation to the property, and
- (b) the relevant scheme contains provision for the sale of that property which is deemed to occur by virtue of [^{F778}that section] to be deemed for the purposes of [^{F778}that Act] to be at a price specified in or determined in accordance with the scheme,

that deemed sale shall be treated as a sale at the price so specified or determined (instead of at the price determined [^{F779}under that section or any other provision of the Capital Allowances Act], sections 567 to 570 of that Act] shall not apply and that provision of the scheme shall have an equivalent effect in relation to the expenditure which the transferee is to be treated as having incurred in making the corresponding purchase.

(3) Where the property is plant or machinery which would, for the purposes of [^{F780}the Capital Allowances Act], be treated on the coming into force of the relevant transfer as disposed of by the predecessor to the transferee and the relevant scheme contains provision for the disposal value of that property to be deemed for the purposes of [^{F781}that Act] to be of such amount as may be specified in or determined in accordance with the scheme—

- (a) that provision shall have effect, instead of [^{F782}section 61(2) to (4), 72(3) to (5), 171, 196 or 423 of the Capital Allowances Act], for determining an amount as the disposal value of the property or, as the case may be, as the price at which any fixture is to be treated as sold;
- (b) the transferee shall be deemed to have incurred expenditure of that amount on the provision of that property; and
- (c) in the case of a fixture, the expenditure which falls to be treated as incurred by the transferee shall be deemed for the purposes of [^{F783}sections 181(1) and 182(1)] of that Act to be incurred by the giving of a consideration consisting in a capital sum of that amount.

(4) Sub-paragraphs (5) and (6) of paragraph 20 above shall apply in relation to any determination of any amount in accordance with any provision made by a restructuring scheme for the purposes of this paragraph as they apply for the purposes of a determination such as is mentioned in those sub-paragraphs.

(5) Where there is a determination, or a modification of a determination, for any purposes of this paragraph, all necessary adjustments shall be made by making assessments or by repayment or discharge of tax, and shall be so made notwithstanding any limitation on the time within which assessments may be made.

Textual Amendments

F776 Words in Sch. 24, para. 21(1) substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2, ss. 578, 579, Sch. 2 para. 91\(5\)](#)

F777 Words in Sch. 24 para. 21(2)(a) substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2, ss. 578, 579, Sch. 2 para. 91\(6\)\(a\)](#)

F778 Words in Sch. 24 para. 21(2)(b) substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2, ss. 578, 579, Sch. 2 para. 91\(6\)\(b\)](#)

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- F779** Words in Sch. 24 para. 21(2)(b) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, Sch. 2 para. 91(6)(c)
- F780** Words in Sch. 24 para. 21(3) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, Sch. 2 para. 91(7)(a)
- F781** Words in Sch. 24 para. 21(3) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, Sch. 2 para. 91(7)(b)
- F782** Words in Sch. 24 para. 21(3)(a) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, Sch. 2 para. 91(7)(c)
- F783** Words in Sch. 24 para. 21(3)(c) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, Sch. 2 para. 91(7)(d)

Capital allowances: actual consideration to be the disposal value in certain other cases

- 22 (1) In this paragraph, “relevant disposal” means—
- (a) a disposal by virtue of a section 85 transfer scheme, other than a restructuring scheme, to the extent that the scheme provides for the transfer of property, rights and liabilities of—
 - (i) the Board,
 - (ii) a wholly owned subsidiary of the Board,
 - (iii) a publicly owned railway company, or
 - (iv) a company which is wholly owned by the Franchising Director,to a franchise company or to the Franchising Director;
 - (b) a disposal pursuant to a direction under section 89 of the ^{M127}Railways Act 1993;
 - (c) a disposal in accordance with directions under section 125 of that Act;
 - (d) a disposal by or pursuant to an agreement or instrument made or executed, transaction effected or direction given under or by virtue of paragraph 2, 3 or 14(2) of Schedule 8 to that Act, in a case where the transfer scheme in question is a section 85 transfer scheme, other than a restructuring scheme; or
 - (e) a disposal pursuant to a requirement imposed under paragraph 7(2)(b) of that Schedule, in a case where the transfer to which that Schedule applies is a transfer by virtue of a section 85 transfer scheme.
- (2) A relevant disposal of the relevant interest in—
- (a) an industrial [^{F784}building], or
 - (b) a qualifying hotel or a commercial [^{F784}building],
- shall be treated for the purposes of [^{F785}Part 3 of the Capital Allowances Act], and the other provisions of that Act which are relevant to that Part, as a sale of that relevant interest; and [^{F786}sections 567 to 570] of that Act (sales between connected persons or without change of control) shall not have effect in relation to that sale.
- (3) Where there is a relevant disposal of [^{F787}plant or machinery], the amount which, in consequence of that disposal, is to be brought into account as the disposal value of that [^{F787}plant or machinery] for the purposes of [^{F788}section 55 of the Capital Allowances Act (determination of entitlement or liability) shall, subject to section 62 of that Act (general limit on amount of disposal value)] be taken—
- (a) if consideration is given in respect of the relevant disposal, to be an amount equal to the amount or value of that consideration, or
 - (b) if no such consideration is given, to be nil,

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notwithstanding any other provision of the [^{F789}the Capital Allowances Act].

- (4) Where, in consequence of a relevant disposal, a fixture is treated by [^{F790}section 188 of the Capital Allowances Act] as ceasing to belong to a person at any time, the amount which, in consequence of that disposal, is to be brought into account as the disposal value of the fixture for the purposes of [^{F791}section 55 of that Act shall, subject to section 62] of that Act, be taken—

- (a) if consideration is given in respect of the relevant disposal, to be an amount equal to that portion of the amount or value of that consideration which falls (or, if the person to whom the relevant disposal is made were entitled to an allowance, would fall) to be treated for the purposes of [^{F792}Part 2] of that Act as expenditure incurred by that person on the provision of the fixture, or
- (b) if no such consideration is given, to be nil,

notwithstanding any other provision of [^{F793}the Capital Allowances Act].

Textual Amendments

- F784** Words in Sch. 24 para. 22(2) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, **Sch. 2 para. 91(8)(a)**
- F785** Words in Sch. 24 para. 22(2) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, **Sch. 2 para. 91(8)(b)**
- F786** Words in Sch. 24 para. 22(2) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, **Sch. 2 para. 91(8)(c)**
- F787** Words in Sch. 24 para. 22(3) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, **Sch. 2 para. 91(9)(a)**
- F788** Words in Sch. 24 para. 22(3) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, **Sch. 2 para. 91(9)(b)**
- F789** Words in Sch. 24 para. 22(3) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, **Sch. 2 para. 91(9)(c)**
- F790** Words in Sch. 24 para. 22(4) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, **Sch. 2 para. 91(10)(a)**
- F791** Words in Sch. 24 para. 22(4) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, **Sch. 2 para. 91(10)(b)**
- F792** Words in Sch. 24 para. 22(4)(a) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, **Sch. 2 para. 91(10)(c)**
- F793** Words in Sch. 24 para. 22(4) substituted (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, ss. 578, 579, **Sch. 2 para. 91(10)(d)**

Marginal Citations

M127 1993 c. 43.

Sale and lease-back: limitation on tax reliefs

- 23 (1) Section 779 of the Taxes Act 1988 (sale and lease back) shall not apply by virtue of subsection (1) or (2) of that section in any case where the liability of the transferor, or of the person associated with the transferor, is—
- (a) a liability under an access agreement, within the meaning of Part I of the ^{M128}Railways Act 1993;
 - (b) a liability under an agreement or instrument made or executed—

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- (i) pursuant to an obligation imposed by a restructuring scheme by virtue of section 91(1)(c) of that Act; or
 - (ii) pursuant to paragraph 2 of Schedule 8 to that Act;
 - (c) a liability under an exempt lease; or
 - (d) a liability to pay exempt rent or to make other exempt payments.
- (2) A lease is “exempt” for the purposes of sub-paragraph (1)(c) above if—
 - (a) the transfer mentioned in subsection (1) of section 779 of the Taxes Act 1988 is—
 - (i) a transfer by virtue of a restructuring scheme;
 - (ii) a transfer pursuant to an obligation imposed by a restructuring scheme by virtue of section 91(1)(c) of the ^{M129}Railways Act 1993; or
 - (iii) a transfer pursuant to paragraph 2 of Schedule 8 to that Act; and
 - (b) the lease is granted after that transfer and otherwise than pursuant to—
 - (i) an obligation imposed by a restructuring scheme by virtue of section 91(1)(c) of the ^{M130}Railways Act 1993; or
 - (ii) paragraph 2 of Schedule 8 to that Act.
- (3) Rent or other payments are “exempt” for the purposes of paragraph (d) of sub-paragraph (1) above if—
 - (a) the rent or other payments would, apart from that paragraph, be rent or other payments to which section 779 of the Taxes Act 1988 applies by virtue of subsection (1) or (2) of that section;
 - (b) the transfer mentioned in subsection (1) or, as the case may be, subsection (2) (a) of that section is—
 - (i) a transfer by virtue of a restructuring scheme;
 - (ii) a transfer pursuant to an obligation imposed by a restructuring scheme by virtue of section 91(1)(c) of the ^{M131}Railways Act 1993; or
 - (iii) a transfer pursuant to paragraph 2 of Schedule 8 to that Act; and
 - (c) the transaction or series of transactions mentioned in subsection (1)(b) or, as the case may be, subsection (2)(b) of the said section 779 is effected after that transfer.
- (4) In this paragraph “transferor”, “lease” and “rent” have the same meaning as they have in section 779 of the Taxes Act 1988 and “associated” shall be construed in accordance with subsection (11) of that section.

Marginal Citations

M128 1993 c. 43.

M129 1993 c. 43.

M130 1993 c. 43.

M131 1993 c. 43.

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

Sales of land with right to reconveyance

- 24 No charge to tax shall arise by virtue of section 36 of the Taxes Act 1988 (charge on sale of land with right to reconveyance) where the sale in question is constituted by a disposition to a franchise company—
- (a) by virtue of a transfer scheme;
 - (b) pursuant to an obligation imposed by a transfer scheme by virtue of section 91(1)(c) of the ^{M132}Railways Act 1993; or
 - (c) pursuant to paragraph 2 of Schedule 8 to that Act.

Marginal Citations

M132 1993 c. 43.

Modifications of restructuring scheme

- 25 (1) Subject to sub-paragraph (2) below, where the effect of a restructuring scheme is modified in pursuance of an agreement or direction under paragraph 2 or 3 of Schedule 8 to the ^{M133}Railways Act 1993, the Corporation Tax Acts and this Schedule shall have effect as if—
- (a) the scheme originally made had been the scheme as modified; and
 - (b) anything done by or in relation to the preceding holder had, so far as relating to the property, rights or liabilities affected by the modification, been done by or in relation to the subsequent holder.
- (2) A disposal of an asset—
- (a) which is effected in pursuance of an agreement or direction under paragraph 2 of Schedule 8 to the ^{M134}Railways Act 1993, and
 - (b) which is either the grant of a lease of land or the creation of other liabilities and rights over land,
- shall be taken for the purposes of corporation tax on chargeable gains, in relation to the person to whom the disposal is made as well as the person making the disposal, to be effected for a consideration such that no gain or loss accrues to the person making the disposal.
- (3) Section 171(1) of the Gains Act (transfers within a group) shall not apply where the disposal in question falls within sub-paragraph (2) above.
- (4) Any reference in sub-paragraph (1) or (2) above to an agreement or direction under paragraph 2 or 3 of Schedule 8 to the ^{M135}Railways Act 1993 includes a reference to such an agreement or direction as varied in accordance with a direction given by the Secretary of State under paragraph 14(2) of that Schedule.
- (5) For the purposes of sub-paragraph (1)(b) above—
- “the preceding holder” means the person who without the modification in question—
- (a) became, by virtue of the restructuring scheme in question, entitled or subject to the property, rights or liabilities affected by the modification,
- or

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(b) remained, notwithstanding the restructuring scheme in question, entitled or subject to the property, rights or liabilities affected by the modification,

as the case may be;

“the subsequent holder” means the person who, in consequence of the modification in question, becomes, or resumes being, entitled or subject to the property, rights or liabilities affected by the modification.

Marginal Citations

M133 1993 c. 43.

M134 1993 c. 43.

M135 1993 c. 43.

Income tax exemption for certain interest

- 26 Where liability for a loan made to the Board is vested in a successor company by virtue of a section 85 transfer scheme, the vesting shall not affect any direction given, or having effect as if given, by the Treasury under [^{F794}section 755 of the Income Tax (Trading and Other Income) Act 2005] (income tax exemption for interest on foreign currency securities) in respect of the loan.

Textual Amendments

F794 Words in Sch. 24 para. 26 substituted (6.4.2005) by [Income Tax \(Trading and Other Income\) Act 2005 \(c. 5\)](#), s. 883(1), [Sch. 1 para. 473](#) (with [Sch. 2](#))

Employee benefits: transport vouchers

- 27 (1) This paragraph applies to any person (an “eligible person”)—
- (a) who on 11th January 1994 was in the employment of—
 - (i) the Board,
 - (ii) a wholly owned subsidiary of the Board, or
 - (iii) any other subsidiary of the Board which, at that date, was a passenger transport undertaking; and
 - (b) who at that date was provided, or was eligible to be provided, by reason of that employment, with a transport voucher falling within subsection (6) of section 141 of the Taxes Act 1988 (exclusion of subsection (1) of that section in relation to certain transport vouchers);
- but this sub-paragraph is subject to sub-paragraph (2) below.
- (2) This paragraph shall not apply, or shall cease to apply, to a person if, on or after 11th January 1994, any of the following conditions became or becomes satisfied in his case, that is to say—
- (a) he ceases, otherwise than—
 - (i) by virtue of anything done under or by virtue of, or pursuant to, the ^{M136}Railways Act 1993, or
 - (ii) by virtue of any other enactment or statutory instrument, in consequence of anything so done,

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- to be in the employment of a person falling within sub-paragraph (i) or, as the case may be, sub-paragraph (ii) or (iii) of sub-paragraph (1)(a) above;
 - (b) he is not in the employment of any person engaged in the railway industry; or
 - (c) the continuity of the period of his employment is broken.
- (3) [^{F795}Section 86 of ITEPA 2003 (exception for certain transport vouchers)] shall, if and so long as the conditions in sub-paragraph (4) below are satisfied, have effect in relation to a transport voucher provided for an eligible person, notwithstanding—
- (a) that the employer of the eligible person does not fall to be regarded as a passenger transport undertaking;
 - (b) that the arrangements under which the transport voucher is provided were not in operation on 25th March 1982; or
 - (c) that the passenger transport services which may be obtained by means of the transport voucher are provided, in whole or in part, otherwise than as mentioned in [^{F796}section 86(2)(a) to (d) of ITEPA 2003] ;
- but this sub-paragraph is subject to sub-paragraph (2) above.
- (4) The conditions mentioned in sub-paragraph (3) above are—
- (a) that the eligible person is in the employment of an employer engaged in the railway industry;
 - (b) that the transport voucher is provided by reason of the eligible person's being in the employment of such an employer;
 - (c) that the transport voucher is intended to enable the eligible person or a relation of his to obtain passenger transport services; and
 - (d) that the current transport voucher benefits in the case of the eligible person are not significantly better than the former transport voucher benefits for comparable employees.
- (5) The Secretary of State may, with the consent of the Treasury, by order prescribe for any purposes of this paragraph circumstances—
- (a) in which a person who ceases, or ceased, as mentioned in sub-paragraph (2) (a) above to be in the employment there mentioned shall be treated—
 - (i) as if he had not ceased to be in that employment, or
 - (ii) as if he had not so ceased to be in that employment;
 - (b) in which a person shall be treated for a period during which he is not or was not in the employment of any person engaged in the railway industry as if he were or had been in the employment of such a person;
 - (c) in which a break in the continuity of a person's period of employment shall be disregarded; or
 - (d) in which a transport voucher shall be treated as if it were, or had been, provided for a person by reason of his being in the employment of an employer engaged in the railway industry.
- (6) The employers who are to be regarded for the purposes of this paragraph as “engaged in the railway industry” are those who carry on activities of a class or description specified for the purposes of this sub-paragraph in an order made by the Secretary of State with the consent of the Treasury; and the Secretary of State may so specify any class or description of activity which, in his opinion, falls within, or is related to or connected with, the railway industry.

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- (7) Any power to make an order under this paragraph shall be exercisable by statutory instrument; and a statutory instrument containing such an order shall be subject to annulment pursuant to a resolution of the House of Commons.
- (8) In determining for the purposes of sub-paragraph (4)(d) above whether the current transport voucher benefits in the case of an eligible person are not significantly better than the former transport voucher benefits for comparable employees, regard shall be had, in particular, to—
- (a) the passenger transport services which may be, or (as the case may be) might have been, obtained by means of transport vouchers under the arrangements in question,
 - (b) whether, and (if so) the extent to which, free or concessionary travel is or (as the case may be) was available under those arrangements,
 - (c) the rate of any discount to the standard fare which is or (as the case may be) was available in the case of concessionary travel under those arrangements, and
 - (d) any limitations on the availability or use of transport vouchers under the arrangements in question.
- [^{F797}(9) Chapter I of Part XIV of the Employment Rights Act 1996, except section 218(6), shall apply for the purposes of this paragraph as it applies for the purposes of that Act.]
- (12) In this paragraph—
- “the current transport voucher benefits”, in the case of an eligible person, means the totality of the benefits which, by reason of his employment by an employer engaged in the railway industry, are available in the year in question—
- (a) to the eligible person, and
 - (b) to relations of his,
- by way of transport voucher under the arrangements under which the transport voucher in question is provided;
- “the former transport voucher benefits for comparable employees”, in the case of an eligible person, means the totality of the benefits which would, by reason of the employment by the Board of a person of similar status to the eligible person (“the comparable person”), have been available in the year 1993-94—
- (a) to the comparable person, and
 - (b) to relations of his,
- by way of transport voucher under arrangements in operation on 25th March 1982.
- [^{F798}“ITEPA 2003” means the Income Tax (Earnings and Pensions) Act 2003.]
- [^{F799}(13) Subject to paragraph 1(1) and sub-paragraph (12) above, expressions used in this paragraph and in section 86 of ITEPA 2003 have the same meaning in this paragraph as in that section.
- This does not apply in relation to the reference to a transport voucher in sub-paragraph (1) above.]

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(14) This paragraph has effect—

- (a) in relation to transport vouchers received by an employee on or after 11th January 1994; and
- (b) in relation to expense incurred on or after that date in, or in connection with, the provision of—
 - (i) any transport voucher, or
 - (ii) the money, goods or services for which it is capable of being exchanged,

irrespective of when the transport voucher falls to be regarded as received by the employee in question.

Textual Amendments

- F795** Words in Sch. 24 para. 27(3) substituted (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 224\(2\)](#) (with [Sch. 7](#))
- F796** Words in Sch. 24 para. 27(3)(c) substituted (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 224\(3\)](#) (with [Sch. 7](#))
- F797** Sch. 24 para. 27(9) substituted for paras. (9) to (11) (22.8.1996) by [1996 c. 18, ss. 240, 243, Sch. 1 para. 62\(a\)](#) (with [ss. 191-195, 202](#))
- F798** Words in Sch. 24 para. 27(12) inserted (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 224\(4\)](#) (with [Sch. 7](#))
- F799** Sch. 24 para. 27(13) substituted (6.4.2003) (with effect in accordance with s. 723(1)(a)(b) of the amending Act) by [Income Tax \(Earnings and Pensions\) Act 2003 \(c. 1\), s. 723, Sch. 6 para. 224\(5\)](#) (with [Sch. 7](#))

Marginal Citations

[M136 1993 c. 43.](#)

SCHEDULE 25

Section 253.

NORTHERN IRELAND AIRPORTS LIMITED

Interpretation

1 (1) In this Schedule—

“the final accounting period” means the last complete accounting period of NIAL ending before the transfer date;

“the Holding Company” means the Northern Ireland Transport Holding Company established under section 47 of the ^{M137}Transport Act (Northern Ireland) 1967;

“NIAL” means the subsidiary of the Holding Company incorporated under the name of Northern Ireland Airports Limited;

“the Order” means the ^{M138}Airports (Northern Ireland) Order 1994 and any reference to an Article is to an Article of the Order;

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“the successor company” means the company nominated under Article 51(1) as the successor company for the purposes of the Order;

“the transfer date” means the day appointed under Article 54(2);

“the transferred trade” means the trade carried on by NIAL and transferred under Article 54(2) to the successor company.

- (2) This Schedule, so far as it relates to corporation tax on chargeable gains, shall be construed as one with the ^{M139}Taxation of Chargeable Gains Act 1992.

Marginal Citations

M137 1967 c. 37 (N.I.).

M138 S.I. 1994/426 (N.I.).

M139 1992 c. 12.

Transfers from NIAL to successor company: general

- 2 (1) The following shall apply for the purposes of the Corporation Tax Acts—
- (a) the transferred trade shall be treated as having been, at the time when it began to be carried on by NIAL and at all times since that time, a separate trade carried on by the successor company;
 - (b) the trade carried on by the successor company on and after the transfer date shall be treated as the same trade as that which, by virtue of paragraph (a) above, it is treated as having carried on before that date;
 - (c) all property, rights and liabilities of NIAL which are transferred under Article 54(2) to the successor company shall be treated as having been, at the time when they became vested in NIAL and at all times since that time, property, rights and liabilities of the successor company; and
 - (d) anything done by NIAL in relation to any property, rights and liabilities which are transferred under Article 54(2) to the successor company shall be deemed to have been done by the successor company.
- (2) This paragraph shall have effect in relation to accounting periods beginning after the final accounting period.

Roll-over relief

- 3 (1) This paragraph applies where NIAL has, before the transfer date, disposed of (or of its interest in) any assets used, throughout the period of ownership, wholly or partly for the purposes of the transferred trade.
- (2) Sections 152 to 156 of the ^{M140}Taxation of Chargeable Gains Act 1992 (roll-over relief on replacement of business assets) shall have effect in relation to that disposal as if NIAL and the successor company were the same person.

Marginal Citations

M140 1992 c. 12.

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

Transfers from Holding Company to successor company

- 4 (1) This paragraph applies where under Article 54(2) an asset of the Holding Company is transferred to the successor company.
- (2) The disposal of the asset by the Holding Company shall be taken for the purposes of corporation tax on chargeable gains to be effected for a consideration of such amount as would secure that on the disposal neither a gain nor a loss would accrue to the Holding company.

^{F800}(3)

Textual Amendments

F800 Sch. 25 para. 4(3) omitted (21.7.2008 with effect in accordance with Sch. 2 para. 71 of the amending Act) by virtue of [Finance Act 2008 \(c. 9\)](#), [Sch. 2 para. 70\(b\)\(ii\)](#)

Leasehold interests in industrial buildings or structures

- 5 (1) This paragraph applies where—
- (a) NIAL is entitled, under a lease granted by the Holding Company, to a leasehold interest in a building or structure,
 - (b) by virtue of Article 52(2)(b) that interest is deemed to have been surrendered by NIAL,
 - (c) under Article 52(3) the Holding Company and NIAL enter into a lease under which NIAL is entitled to a leasehold interest (“the new interest”) in the property, and
 - (d) under Article 54(2) that interest is transferred to the successor company.
- (2) For the purposes of [^{F801}the Capital Allowances Act 2001]—
- (a) the surrender shall be deemed to be for such an amount (by way of sale, insurance, salvage or compensation moneys) as would secure that no balancing allowance or balancing charge would be made to or on NIAL by reason of the surrender (“the surrender value”);
 - (b) the successor company shall be treated for the purposes of [^{F801}the Capital Allowances Act 2001]—
 - (i) as if the new interest were the relevant interest in relation to the capital expenditure incurred on the construction of the property; and
 - (ii) as if the amount of the residue of that expenditure immediately after the transfer of the new interest were equal to the surrender value.
- (3) In this paragraph—
- ^{F802}
- “balancing allowance” and “balancing charge” have the same meanings as in [^{F803}Chapter 7 of Part 3 of the Capital Allowances Act 2001];
- “the property” means the building or structure referred to in sub-paragraph (1); and
- “relevant interest” has the same meaning as in [^{F804}Chapter 3 of Part 3 of the Capital Allowances Act 2001].

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Textual Amendments

- F801** Words in Sch. 25 para. 5(2) substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2, ss. 578, 579, Sch. 2 para. 92\(1\)](#)
- F802** Definition in Sch. 25 para. 5(3) repealed (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the repealing Act) by [2001 c. 2, ss. 579, 580, Sch. 2 para. 92\(2\)\(a\), Sch. 4](#)
- F803** Words in Sch. 25 para. 5(3) substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2, ss. 578, 579, Sch. 2 para. 92\(2\)\(b\)](#)
- F804** Words in Sch. 25 para. 5(3) substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2, ss. 578, 579, Sch. 2 para. 92\(2\)\(c\)](#)

Securities of successor company

- 6 (1) Any share issued by the successor company under Article 57 shall be treated for the purposes of the Corporation Tax Acts as if it had been issued wholly in consideration of a subscription paid to the company of an amount equal to the nominal value of the share.
- (2) Any debenture issued by the successor company under Article 57 shall be treated for the purposes of the Corporation Tax Acts as if it had been issued—
- (a) wholly in consideration of a loan made to the company of an amount equal to the principal sum payable under the debenture, and
 - (b) wholly and exclusively for the purposes of the trade carried on by the company.
- (3) 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.

SCHEDULE 26

Section 258.

REPEALS

PART I

VEHICLES EXCISE DUTY

Commencement Information

- I24** Sch. 26 Pt. I in force at Royal Assent except for the repeals at (2) which come into force at 1.6.1994

(1) Rates

| Chapter | Short title | Extent of repeal |
|---------|-------------|------------------|
|---------|-------------|------------------|

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| | | |
|-------------|---------------------------------|---|
| 1971 c. 10. | The Vehicles (Excise) Act 1971. | In Schedule 1, in Part I, paragraph 4(a). In Schedule 2, in Part I, paragraphs 3 and 5. In Schedule 4, paragraph 6(6) (a), (c) and (d). |
| 1985 c. 54. | The Finance Act 1985. | Section 4(4). |
| 1991 c. 31. | The Finance Act 1991. | In Schedule 3, in Part I, paragraph 21. |
| 1993 c. 34. | The Finance Act 1993. | Section 17(3)(a) and (7)(b). Section 20(3). |

These repeals have effect in relation to licences taken out after 30th November 1993.

(2) Transitional modifications

| Chapter | Short title | Extent of repeal |
|-------------|---|---|
| 1971 c. 10. | The Vehicles (Excise) Act 1971. | In section 2A(1), the words “(other than licences for one calendar year)”. In Schedule 7, in Part I, paragraphs 1(c), 3(b), 18, 19, 21, and 22 and, so far as it relates to section 26(2), paragraph 23. |
| 1988 c. 54. | The Road Traffic (Consequential Provisions) Act 1988. | In Schedule 2, in Part III, paragraph 23. |

These repeals come into force on 1st June 1994.

(3) Other provisions

| Chapter | Short title | Extent of repeal |
|----------------------|--|---|
| 1971 c. 10. | The Vehicles (Excise) Act 1971. | Section 1(4). In section 3(3), the words “the restoration of any forfeiture and”. Section 4(3)(a). |
| 1971 c. 10. (contd.) | The Vehicles (Excise) Act 1971. (contd.) | In section 16(4), the words following paragraph (b). In section 18, subsections (8) and (9) and, in subsection (10), |

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paragraph (b) and the word “and” immediately preceding it.

Section 21.

In section 22, in subsection (1), the words “or sign to be exhibited”, “or 21” and “or exhibited” and, in subsection (2), the words “or sign exhibited” and “or sign”.

In section 23, as set out in paragraph 20 of Part I of Schedule 7, in subsection (1) (f), the words “or the signs” and “or signs”.

In section 25, in subsection (1), in paragraph (a), the words “temporary licences or” and, in paragraph (b), the words from the beginning to “allocated to the dealer in pursuance of this Act or” and, in subsection (2), the words “requirement or” (in both places).

In section 26, in subsection (1), the words “or sign to be exhibited” and “or 21” and, in subsection (2) (a), the words “temporary licences or”.

In section 28(1), “11(2),”.

In section 29(4), “11(2),”.

In section 35(2), the words “and forfeitures” (in both places).

Section 36.

In section 37—in subsection (3), as set out in paragraph 22 of Part I of Schedule 7, “2(5), 11(3), 14,” in subsection (3A), as so set out, “14,” and “14 or”, and in subsection (4), “11(3), 14, 15(1), 17(1),”.

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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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| | | In Schedule 4, paragraph 5 and, in paragraph 15(1), in the definition of “goods vehicle”, the words “(including a tricycle as defined in Schedule 1 to this Act and weighing more than 425 kilograms unladen)”. |
| 1976 c. 40. | The Finance Act 1976. | In section 11, in subsection (2)(c), the words “or, if it falls” onwards and subsection (5). In section 12(2)(a), the words “either” and “, or elsewhere”. |
| 1983 c. 28. | The Finance Act 1983. | In Schedule 3, in Part II, paragraph 9. |
| 1986 c. 41. | The Finance Act 1986. | In Schedule 2, in Part I, in paragraph 4, in sub-paragraph (5), in paragraph (a), the words “, including those words where they appear in the subsection as set out in paragraph 12 of Part I of Schedule 7,” and paragraph (c) and sub-paragraph (7)(b). |
| 1987 c. 16. | The Finance Act 1987. | In Schedule 1, in Part III, paragraphs 16(2) and 18(2) and (3). |
| 1988 c. 53. | The Road Traffic Offenders Act 1988. | In Schedule 5, the entry relating to the Vehicles (Excise) Act 1971. |
| 1988 c. 54. | The Road Traffic (Consequential Provisions) Act 1988. | In Schedule 3, paragraph 15. |
| 1990 c. 29. | The Finance Act 1990. | In Schedule 2, in Part II, paragraph 6(1) to (3). |
| 1991 c. 31. | The Finance Act 1991. | In Schedule 3, Part II. |
| 1993 c. 34. | The Finance Act 1993. | In section 19(2), the words “including that subsection as set out in paragraph 12 of Part I of Schedule 7”. |

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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 II

GAMING MACHINE LICENCE DUTY

Commencement Information

I25 Sch. 26 Pt. II: repeals have effect in accordance with Sch. 3 (with appropriate commencement dates)

| Chapter | Short title | Extent of repeal |
|-------------|---|---|
| 1981 c. 63. | The Betting and Gaming Duties Act 1981. | Section 21A. Section 22(5). In section 24, subsection (2), in subsections (3) and (4) the word “such”, in subsection (3) the words from “but” to the end, in subsection (4) the words “or there are special licences in force with respect to those machines” and in subsection (6)(a) the words from “or” at the end of subparagraph (i) to “greater”. In section 26, in subsection (4) the words “section 22(5) or”. In Schedule 4, paragraphs 9, 10 and 11A. |
| 1982 c. 39. | The Finance Act 1982. | In Schedule 6, paragraphs 9, 11 and 15. |
| 1984 c. 43. | The Finance Act 1984. | In Schedule 3, paragraphs 3 to 5, 6(b) to (d) and (f), 7(3) to (7) and (9) to (11). |
| 1985 c. 54. | The Finance Act 1985. | In Schedule 5, paragraphs 2, 3(1) and 9(1). |
| 1987 c. 16. | The Finance Act 1987. | Section 4. Section 5(1), (4) and (5). |
| 1993 c. 34. | The Finance Act 1993. | Section 15. In section 16, subsections (4) (b) and (5). |

These repeals have effect in accordance with Schedule 3 to this Act.

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

EXCISE DUTIES: ENFORCEMENT AND APPEALS

| Chapter | Short title | Extent of repeal |
|-------------|---|--|
| 1979 c. 2. | The Customs and Excise Management Act 1979. | Section 111(2). In section 113(4), the words from “and the trader” onwards. Section 116A. Section 127. |
| 1979 c. 4. | The Alcoholic Liquor Duties Act 1979. | Section 13(4). Section 15(8). Section 19(3). |
| 1979 c. 7. | The Tobacco Products Duty Act 1979. | Section 8(3). |
| 1981 c. 35. | The Finance Act 1981. | In Schedule 8— (a) in paragraph 2(d), paragraph (ii) and the word “and” immediately preceding it; (b) paragraph 7; (c) in paragraph 12, in sub-paragraph (b), the words from “and after” onwards and sub-paragraph (c); (d) in paragraph 14, the words from “and after” in sub-paragraph (c) to the end of sub-paragraph (d); and (e) in paragraph 15, sub-paragraph (c) and the word “and” immediately preceding it. |
| 1981 c. 63. | The Betting and Gaming Duties Act 1981. | In section 24(5), the words after paragraph (f). In Schedule 1— (a) paragraph 11; (b) in paragraph 14(3), the word “reasonably”; and (c) in paragraph 15(1), the words from “(not being” to “9 above)”. |

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| | | |
|-------------|-------------------------------|--|
| | | In Schedule 2, paragraph 5 and, in paragraph 7(6), the words “(1) or”. |
| | | In Schedule 3, paragraphs 14 and 16(4). |
| | | In Schedule 4, paragraph 16(2). |
| 1985 c. 54. | The Finance Act 1985. | In Schedule 5, paragraph 9(2). |
| 1989 c. 26. | The Finance Act 1989. | Section 15. |
| 1992 c. 48. | The Finance (No. 2) Act 1992. | In Schedule 2, paragraph 2(6). |

Section 19 of this Act applies to these repeals as it applies to Chapter II of Part I of this Act.

PART IV

VALUE ADDED TAX

| Chapter | Short title | Extent of repeal |
|-------------|-----------------------|--|
| 1985 c. 54. | The Finance Act 1985. | In section 20(2)(a) the words “one month after”. |

This repeal has effect in accordance with section 46 of this Act.

PART V

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

(1) Reliefs

| Chapter | Short title | Extent of repeal |
|-------------|--|--|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | Section 257BB(6). In section 257D(5)(d), the words “section 257A and”. In section 265(3)(b), the words from “section 257A” to “or under”. In section 347B(2), the words “Notwithstanding section 347A(1)(a) but”. |
| 1988 c. 39. | The Finance Act 1988. | In Schedule 3, paragraph 33. |

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

| | | |
|-------------|-------------------------------|--------------------------------|
| 1992 c. 48. | The Finance (No. 2) Act 1992. | In Schedule 5, paragraph 8(2). |
|-------------|-------------------------------|--------------------------------|

The repeals in section 347B of the Income and Corporation Taxes Act 1988 and in the Finance Act 1988 have effect in relation to payments becoming due on or after 6th April 1994 and the other repeals have effect in accordance with section 77(7) of this Act.

(2)Interest relief

| Chapter | Short title | Extent of repeal |
|----------------|--|--|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | Section 257D(8)(a). Section 265(3)(a). Section 353(4) and (5). |
| 1991 c. 31. | The Finance Act 1991. | Section 27(1) to (5) and (7). |
| 1992 c. 12. | The Taxation of Chargeable Gains Act 1992. | In section 6(1), the words “353(4), 369(3A)”, the words “certain interest etc. and” and paragraph (a). |
| 1992 c. 48. | The Finance (No. 2) Act 1992. | In section 19, in subsection (3), the words “353(5), 369(3B)” and subsection (5). |
| 1993 c. 34. | The Finance Act 1993. | Section 57(7). In Schedule 6, in paragraph 1, the words “353(5), 369(3B)”. |

These repeals have effect in accordance with section 81(6) of this Act.

(3)Medical insurance

| Chapter | Short title | Extent of repeal |
|----------------|--|---|
| 1988 c.1. | The Income and Corporation Taxes Act 1988. | In section 257D(8), paragraph (d). In section 265(3), paragraph (d). |
| 1989 c.26. | The Finance Act 1989. | In section 55, in subsection (2) paragraph (e) and the word “and” immediately preceding it, and subsections (3) to (6). |

(1) The repeals in the Income and Corporation Taxes Act 1988 have effect in accordance with paragraph 3 of Schedule 10 to this Act.

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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) The repeals in the Finance Act 1989 have effect in accordance with paragraph 5 of that Schedule.

(4) Vocational training

| Chapter | Short title | Extent of repeal |
|-------------|-----------------------|---|
| 1991 c. 31. | The Finance Act 1991. | In section 32(10), the words after paragraph (b). |

This repeal comes into force in accordance with section 84(4) of this Act.

(5) Beneficial loans

| Chapter | Short title | Extent of repeal |
|-------------|--|---|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | In section 160(4), the words from “and Part III” to the end. Section 167(2A). Section 191B(14). In Schedule 7, in paragraph 1(5) the words “his employer, being” and Parts III to V. |
| 1991 c. 31. | The Finance Act 1991. | Section 31. In Schedule 6, paragraphs 2 and 5. |

These repeals have effect in accordance with section 88(5) of this Act.

(6) Vouchers

| Chapter | Short title | Extent of repeal |
|------------|--|---|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | In section 141(1), the words following paragraph (b). |

(7) Relief on re-investment

| Chapter | Short title | Extent of repeal |
|-------------|--|--|
| 1992 c. 12. | The Taxation of Chargeable Gains Act 1992. | In section 164A, in subsection (2) the words “Subject to section 164C”, and subsections (3) to (7) and (11). Sections 164C to 164E. In section 164F, in subsection (5)(a) the words “or 164D” and in subsection (10) the words |

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

“(within the meaning of section 164D)”.

In section 164H(1), the words “within the meaning of section 164C”.

These repeals have effect in accordance with section 91(2) of this Act.

(8) Indexation allowance

| Chapter | Short title | Extent of repeal |
|-------------|--|--|
| 1992 c. 12. | The Taxation of Chargeable Gains Act 1992. | In section 56(1)(a), the words “or loss”. Section 103. Section 111. Sections 182 to 184. Section 200. In Schedule 7A, in paragraph 2(4) the words “except in relation to the calculation of any indexed rise”, in paragraph 2(9) the definition of “indexed rise”, in paragraph 4(12) the words from “together” to the end and paragraph 4(13). |
| 1993 c. 34. | The Finance Act 1993. | In Schedule 17, paragraph 8. |

These repeals have effect in accordance with section 93(11) of this Act.

(9) Commodity and financial futures

| Chapter | Short title | Extent of repeal |
|-------------|--|------------------|
| 1992 c. 12. | The Taxation of Chargeable Gains Act 1992. | Section 143(4). |

This repeal has effect in accordance with section 95(2) of this Act.

(10) Settlements with foreign element: information

| Chapter | Short title | Extent of repeal |
|------------|--------------------------------|--|
| 1970 c. 9. | The Taxes Management Act 1970. | In the Table in section 98, in the second column the entry relating to paragraphs 11 to 14 of Schedule 5 to the Taxation of Chargeable Gains Act 1992. |

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

| | | |
|-------------|--|-------------------------------------|
| 1992 c. 12. | The Taxation of Chargeable Gains Act 1992. | In Schedule 5, paragraphs 11 to 14. |
|-------------|--|-------------------------------------|

These repeals have effect in accordance with section 97 of this Act.

(11) Profit sharing schemes

| Chapter | Short title | Extent of repeal |
|------------|--|--|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | In Schedule 10, in paragraph 3 the words from “In this paragraph” to the end of the paragraph. |

(12) Retirement benefits schemes

| Chapter | Short title | Extent of repeal |
|------------|--|--|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | In section 188(1), paragraph (c). In section 189, paragraph (b). In section 591(2)(g) the words “approved by the Board and”. Section 605(1) and (2). In section 612(1), the definition of “administrator”. |

- (1) The repeals in sections 188 and 189 have effect in accordance with section 108 of this Act.
- (2) The repeal in section 591 has effect in accordance with section 107 of this Act.
- (3) The repeal of section 605(1) and (2) has effect in accordance with section 105 of this Act.
- (4) The repeal in section 612(1) has effect in accordance with section 103 of this Act.

(13) Authorised unit trusts

| Chapter | Short title | Extent of repeal |
|-------------|--|---|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | In section 468, subsection (2), and in subsection (6) the definition of “distribution period”. Sections 468F and 468G. |
| 1993 c. 34. | The Finance Act 1993. | In Schedule 6, paragraphs 4, 5 and 25(2). |

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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

These repeals have effect in accordance with section 111 of and Schedule 14 to this Act.

(14) Manufactured payments

| Chapter | Short title | Extent of repeal |
|-----------|--|---|
| 1988 c.1. | The Income and Corporation Taxes Act 1988. | In paragraph 5 of Schedule 23A, in sub-paragraphs (2) and (4) the word “and” at the end of paragraph (b). |

These repeals have effect in accordance with section 123 of this Act.

(15) Controlled Foreign Companies

| Chapter | Short title | Extent of repeal |
|------------|--|--|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | In paragraph 2 of Schedule 25, in sub-paragraph (1), in paragraph (a) the words “or for some other period which, in whole or in part, falls within that accounting period” and the words following paragraph (d), and sub-paragraph (2). |

These repeals have effect in accordance with section 134(5) of this Act.

(16) Repeals connected with foreign income dividends

| Chapter | Short title | Extent of repeal |
|------------|--|---|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | In section 434(6A) the word “and” at the end of paragraph (a). In section 438(6) the words from “being” to “that profit,”. In section 731(9), in the definition of “interest” the words from “and in applying” to the end of paragraph (b). |

(17) Enterprise investment scheme

| Chapter | Short title | Extent of repeal |
|------------|--|---|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | In section 257D(8)(b), the words “or under section 289”. In section 265(3)(b), the words “or under section 289”. |

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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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| | | In section 290A, subsection (10) and, in subsection (11), the definition of “prospectus”. |
| | | In section 293, subsection (4) and subsections (9) to (11). |
| | | Section 296(6). |
| | | In section 297, in subsection (1) the words “(6) and” and in subsection (2) paragraphs (h) and (j). |
| | | In section 298, in subsection (5) the definition of “property development” and subsections (6) to (8). |
| | | Section 301(1), (2) and (7). |
| | | Section 303(8), (10) and (11). |
| | | In section 306(10), the second sentence. |
| | | In section 307, in subsection (1) the words from “but” to the end and subsection (9). |
| | | Section 308(6). |
| | | Section 309. |
| | | Section 310(10) and (11). |
| | | In section 312, in subsection (1) the definitions of “fixed-rate preference share capital” and “the relevant period”. |
| 1988 c. 39. | The Finance Act 1988. | Section 50. |
| | | Schedule 4. |
| 1990 c. 29. | The Finance Act 1990. | Section 73. |
| 1992 c. 12. | The Taxation of Chargeable Gains Act 1992. | In section 231(1)(d) the words “(business expansion scheme)”. |
| 1992 c. 48. | The Finance (No. 2) Act 1992. | Sections 38 to 40. |

These repeals have effect in relation to shares issued on or after 1st January 1994.

(18) Deduction from income

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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 |
|------------|--|---|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | In section 808 the words “In this section “securities” includes stocks and shares.” |

This repeal has effect in accordance with section 140 of this Act.

(19) Qualifying lenders

| Chapter | Short title | Extent of repeal |
|------------|--|--|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | Section 376(5). In section 379, the words “except in section 376(4) and (5)”. In section 828(4), “376(5)”. |

(20) Premiums referred to pension business

| Chapter | Short title | Extent of repeal |
|------------|--|---|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | In section 431(4), in paragraph (d) the words “approved by the Board and” and in paragraph (e) the words “approved by the Board”. |

These repeals have effect in accordance with section 143 of this Act.

(21) Business donations

| Chapter | Short title | Extent of repeal |
|-------------|-----------------------|------------------|
| 1990 c. 29. | The Finance Act 1990. | Section 75. |

(22) Minor corrections

| Chapter | Short title | Extent of repeal |
|-------------|--|--|
| 1965 c. 25. | The Finance Act 1965. | Section 87. Schedule 21. |
| 1966 c. 18. | The Finance Act 1966. | In Schedule 5, paragraph 19. In Schedule 6, paragraph 23. |
| 1970 c. 9. | The Taxes Management Act 1970. | In Schedule 4, paragraph 6. |
| 1970 c. 10. | The Income and Corporation Taxes Act 1970. | In Schedule 15, in Part I of the Table in paragraph 11, the |

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| | | |
|------------|--|---|
| | | entry relating to the Finance Act 1966. |
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | <p>In section 43(1), the words “or IV”.</p> <p>In section 271—</p> <p>(a) in subsection (1)—</p> <p>(i) the words “or contract”, wherever they occur,</p> <p>(ii) in paragraph (b), the words “or the contract was made after that date”, and</p> <p>(iii) in paragraph (c), the words “or, as the case may be, the body with which the contract was made”, and</p> <p>(b) in subsection (2), paragraph (b) and the word “or” immediately preceding it.</p> <p>Section 614(1).</p> <p>In Schedule 11, in paragraph 8(b), the words “Chapter II of Part I of the 1968 Act or”.</p> |

The repeals in sections 43 and 271 of, and Schedule 11 to, the Income and Corporation Taxes Act 1988 have effect in accordance with Schedule 17 to this Act.

(23) Management: self-assessment etc.

| Chapter | Short title | Extent of repeal |
|-------------|--|---|
| 1970 c. 9. | The Taxes Management Act 1970. | <p>In section 11(1), the words “inspector or other”.</p> <p>Section 11A.</p> <p>In section 12, subsections (1) and (4).</p> <p>In section 33(2), the proviso.</p> <p>In section 95(3), the words from “and the references” to the end.</p> <p>Section 118(3).</p> |
| 1975 c. 45. | The Finance (No. 2) Act 1975. | Section 67(1). |
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | <p>Section 5.</p> <p>Section 10.</p> |

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| | | |
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| | | <p>In section 203(2)(dd), the words from “(being not less” to “due)”.</p> <p>Section 478.</p> <p>In section 824, subsection (5), in subsection (9), the words “a partnership” and the words “(within the meaning of section 111 of the Finance Act 1989)”, and subsection (10).</p> |
| 1992 c. 12 | The Taxation of Chargeable Gains Act 1992. | Section 283(5). |

- (1) The repeal of section 118(3) of the Taxes Management Act 1970 has effect in accordance with section 199(2) of, and paragraph 34(3) of Schedule 19 to, this Act.
- (2) The repeal of section 5 of the Income and Corporation Taxes Act 1988—
 - (a) except so far as it relates to partnerships whose trades, professions or businesses are set up and commenced before 6th April 1994, has effect in accordance with section 199(2) of this Act; and
 - (b) so far as it so relates, has effect as respects the year 1997-98 and subsequent years of assessment.
- (3) The repeals in section 824 of the Income and Corporation Taxes Act 1988 has effect in accordance with section 199(2) of, and paragraph 41(4) of Schedule 19 to, this Act.
- (4) The other repeals have effect in accordance with section 199(2) of this Act.

(24) Changes for facilitating self-assessment

| Chapter | Short title | Extent of repeal |
|------------|--|---|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | <p>In section 65, in subsection (1), the words “and sections 66 and 67” and the words “the year preceding”, in subsection (3), the words from “Nothing in this subsection” to the end, and in subsection (5), the words “subject to sections 66 and 67” and the words “the year preceding”, in each place where they occur.</p> <p>Sections 66 and 67.</p> <p>In section 96, in subsection (5), paragraph (b), in subsection (6), the words</p> |

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from “except that” to the end, and in subsection (7), paragraph (b).

In section 113, in subsection (1), the words “and of section 114(3)(b)”, subsections (3) to (5) and, in subsection (6), the words from “and where” to the end.

In section 114, in subsection (3), the words from “except that” to the end, and subsection (4).

In section 115, subsections (1) to (3) and (6).

In section 277, in subsection (1), the words “Subject to subsection (2) below”, paragraph (c) and the word “and” immediately preceding that paragraph, and subsection (2).

Section 380(3).

Section 381(6).

Section 383.

In section 384, in subsection (1), the words “(including any amount in respect of capital allowances which, by virtue of section 383, is to be treated as a loss)”, in subsection (2), the words “or an allowance in respect of expenditure incurred”, paragraph (b) and the word “or” immediately preceding that paragraph, and subsection (5).

In section 385, subsections (2), (3), (5) and (8).

Section 386(4).

In section 388, in subsection (6), paragraphs (b) and (d) and the word “and” immediately preceding paragraph (d), and in subsection (7), the words

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1990 c. 1.

The Capital Allowances Act 1990.

from the beginning to “an earlier year; and”.

In section 389, subsections (3) and (5) to (7).

In section 397(1), the words from “and where” to the end.

In section 521, in subsections (1) and (2), the words “or its basis period”.

In section 528(1), the words “or its basis period”.

In section 530, in subsections (4) and (5), the words “or its basis period”.

In section 804(8), the definitions of “non-basis period” and “years of commencement” and the words “references to the enactments relating to cessation are references to sections 63, 67 and 113”.

In section 3, in subsections (1) and (2B) to (4), the words “or its basis period”, in each place where they occur.

In section 4(10), the words “or of which the basis periods end on or before that date”.

In section 7, in subsections (2) and (3), the words “or its basis period”.

In section 8, in subsection (3), the words “or its basis period”, and in subsection (5), in paragraph (a), the words from “or” to the end.

In section 9(3), the words “or its basis period”.

In section 19(3), the words “or its basis period”, in each place where they occur.

In section 21(8), the words “or its basis period”.

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In section 23(2), the words
“or its basis period”.

In section 24, in subsections
(6), (6A) and (7), the words
“or its basis period”, in each
place where they occur.

In section 25, in subsections
(1) and (7), the words “or its
basis period”.

In section 33(3), the words
“or, as the case may be, in its
basis period”.

In section 37, in subsections
(2) and (9), the words
“or its basis period”, in
subsection (5), the words
“or, as the case may be,
in its basis period” and, in
subsection (6), the words
“or in the basis period for
which”.

In section 42(4), the words
“or in the basis period for
which”.

In section 46(1), the words
“or in the basis period for
which”.

In section 47(1), the words
“or in the basis period for
which”.

In section 48, in subsections
(3), (4) and (5), the words “or
its basis period”.

In section 49(2), the words
“or its basis period”.

In section 61(5), the words
“or its basis period”.

In section 62A(6), the words
“or its basis period”.

In section 67(6), the words
“or its basis period”.

In section 73(3), the words
“or its basis period”.

In section 79, in subsections
(3) and (5), the words “or its

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basis period”, in each place where they occur.

In section 85, in subsections (1), (3) and (4), the words “or its basis period”, in each place where they occur.

In section 87(6), the words “or of which the basis periods end on or before that date”.

In section 93(3), the words “or its basis period”.

In section 99, in subsections (1) and (4), the words “or its basis period”.

In section 101, in subsections (2) and (6) to (8), the words “or its basis period”.

In section 121(4), the words “or its basis period” and the words “or, as the case may be, its basis period”.

In section 124(3), the words “or its basis period”.

In section 126(2), the words “or its basis period”, in each place where they occur.

In section 128(1), the words “or its basis period”.

In section 129(3), the words “or the basis periods for which”.

In section 134(1), the words from “but where a writing-down allowance” to the end.

In section 138(7), the words “or its basis period”.

In section 148(7), the words “or its basis period”.

In section 159, in subsections (4) and (6), the words “or its basis period”.

In section 159A(4), the words “or its basis period”.

In section 72(8), the words “383(6), (7) and (8)”.

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| | | |
|------------|-----------------------|--|
| 1994 c. 9. | The Finance Act 1994. | In section 118(6), the words “or its basis period”. |
|------------|-----------------------|--|

- (1) The repeal in section 65(3) of the Income and Corporation Taxes Act 1988 has effect in accordance with sections 207(6) and 218(1)(b) of this Act.
- (2) The repeal in section 96(6) of the Income and Corporation Taxes Act 1988 has effect in accordance with section 216(5) of this Act.
- (3) The repeal in section 96(7) of the Income and Corporation Taxes Act 1988 has effect in accordance with section 214(7) of this Act.
- (4) The following repeals, namely—
 - (a) the repeals in sections 113, 114, 115, 277, 380, 381 and 386 of the Income and Corporation Taxes Act 1988;
 - (b) the repeal of subsection (5) of section 384 of that Act;
 - (c) the repeal of subsections (2) and (5) of section 385 of that Act; and
 - (d) the repeal of subsection (3) of section 389 of that Act,have effect in accordance with section 215(4) of this Act.
- (5) The following repeals, namely—
 - (a) the repeals in sections 384(1) and (2), 388, 397, 521, 528 and 530 of the Income and Corporation Taxes Act 1988;
 - (b) the repeal of section 383 of that Act;
 - (c) the repeal of subsections (5) to (7) of section 389 of that Act;
 - (d) the repeals in the Capital Allowances Act 1990;
 - (e) the repeal in section 72 of the Finance Act 1991; and
 - (f) the repeal in section 118 of the Finance Act 1994,have effect in accordance with sections 211(2) and 218(1)(b) of this Act.
- (6) The repeals of subsections (3) and (8) of section 385 of the Income and Corporation Taxes Act 1988 have effect in accordance with section 209(7) of this Act.
- (7) The other repeals have effect in accordance with section 218(1) of this Act.

- 4 The following repeals, namely—
- (a) the repeals in sections 113, 114, 115, 277, 380, 381 and 386 of the Income and Corporation Taxes Act 1988;
 - (b) the repeal of subsection (5) of section 384 of that Act;
 - (c) the repeal of subsections (2) and (5) of section 385 of that Act; and
 - (d) the repeal of subsection (3) of section 389 of that Act,
- have effect in accordance with section 215(4) of this Act.

(25) Lloyd’s underwriters

| Chapter | Short title | Extent of repeal |
|------------|--|------------------|
| 1988 c. 1. | The Income and Corporation Taxes Act 1988. | Section 627. |

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| | | |
|-------------|--|---|
| 1993 c. 34. | The Finance Act 1993. | <p>Section 641(2).</p> <p>Section 171(3).</p> <p>In section 179, in subsection (2), the words “to subsection (3) below and”, and subsection (3).</p> <p>In section 182, subsections (2) to (4).</p> <p>Section 183(3).</p> <p>In section 184(1), the words “or the managing agent of a syndicate of which he is a member”.</p> <p>In Schedule 19, Part II.</p> <p>In Schedule 20, in paragraph 13(1), the words from “and a transfer” to the end.</p> |
| 1 | The repeals in the Income and Corporation Taxes Act 1988 and in section 183 of the Finance Act 1993 have effect in accordance with section 228(4) of this Act. | |
| 2 | The repeal in section 171 of the Finance Act 1993 has effect in accordance with paragraph 1(3)(b) of Schedule 21 to this Act. | |
| 3 | The repeals in section 179 of the Finance Act 1993 have effect in accordance with paragraph 6(3) of that Schedule. | |
| 4 | The repeals in section 182 of the Finance Act 1993 have effect in accordance with paragraph 7(2) of that Schedule. | |
| 5 | The repeal in paragraph 13(1) of Schedule 20 to the Finance Act 1993 has effect in accordance with paragraph 16(3) of that Schedule. | |
| 6 | The other repeals have effect in accordance with section 228(3) of this Act. | |

PART VI

OIL TAXATION

| Chapter | Short title | Extent of repeal |
|-------------|----------------------------|---|
| 1975 c. 22. | The Oil Taxation Act 1975. | <p>In section 2(9)(a)(i), the words “or, as the case may be”.</p> <p>In Schedule 3, in paragraph 2A, sub-paragraph (4).</p> |
| 1993 c. 34. | The Finance Act 1993. | Section 190(5)(b). |

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- 1 The repeals in the Oil Taxation Act 1975 have effect in accordance with section 236 of this Act.
- 2 The repeal in the Finance Act 1993 has effect in accordance with section 238 of this Act.

PART VII

STAMP DUTY

| | | |
|---------------------------------|--|--|
| Commencement Information | | |
| I26 | Sch. 26 Pt VII(2) not in force at Royal Assent, see s. 245(8). | |

(1) Exchange, partition, etc.

| Chapter | Short title | Extent of repeal |
|----------------|-----------------------|--|
| 1891 c. 39. | The Stamp Act 1891. | In section 73, the words from first “upon” to “heritable property, or” and the words “exchange or”. In Schedule 1, the heading “Exchange or Excambion”. |
| 1991 c. 31. | The Finance Act 1991. | In section 110, subsection (3) (e) and, in subsection (4), the words following “exempt property”. |

These repeals have effect in accordance with section 241(6) of this Act.

(2) Production of instruments in Northern Ireland

| Chapter | Short title | Extent of repeal |
|---------------------|--|-------------------------|
| 1936 c. 33 (N. I.). | The Finance Act (Northern Ireland) 1936. | Section 9. |

This repeal has effect in accordance with section 245(8) of this Act.

PART VIII

MISCELLANEOUS

| | | |
|---------------------------------|---|--|
| Commencement Information | | |
| I27 | Sch. 26 Pt VIII(1) has effect in accordance with s. 251 which is partly retrospective to 30.11.1993; Sch. 26 Pt. VIII(2) deemed to have come into force on 11.1.1994. | |

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(1) Companies treated as non-resident

| Chapter | Short title | Extent of repeal |
|------------|--|--|
| 1988 c.1. | The Income and Corporation Taxes Act 1988. | <p>In section 468F, in subsection (1)(c) the words “and not a dual resident” and in subsection (8) the definition of “dual resident”.</p> <p>In section 742(8) the words “, or regarded for the purposes of any double taxation arrangements having effect by virtue of section 788 as resident in a territory outside the United Kingdom,”.</p> <p>In section 745(4) the words “, or regarded for the purposes of any double taxation arrangements having effect by virtue of section 788 as resident in a territory outside the United Kingdom,”.</p> <p>Section 749(4A).</p> <p>Section 751(2)(bb).</p> |
| 1990 c.29. | The Finance Act 1990. | <p>Section 66.</p> <p>In section 67, subsections (1) and (2).</p> |
| 1992 c.12. | The Taxation of Chargeable Gains Act 1992. | <p>Section 139(3).</p> <p>Section 160.</p> <p>In section 166(2) the words “or a company” and the words “or company”.</p> <p>In section 171(2), paragraph (e) and the word “or” immediately preceding it.</p> <p>Section 172(3)(a).</p> <p>In section 175(2) the words from “or a company which” to the end of paragraph (b).</p> <p>Section 186.</p> <p>In section 187, in subsection (1)(a) the words “or 186” and in subsection (6) the words</p> |

Changes to legislation: Finance Act 1994 is up to date with all changes known to be in force on or before 23 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](#)

| | | |
|-------------|-----------------------|---|
| | | <p>“or, as the case may be, section 186(2),” and the words “or, as the case may be, section 186(1)”.</p> <p>Section 188.</p> <p>In section 211(3) the words “(and would not be a gain on which, under any double taxation relief arrangements, it would not be liable to tax)”.</p> |
| 1993 c. 34. | The Finance Act 1993. | Section 61(3). |

These repeals have effect in accordance with section 251 of this Act.

| (2)Railway taxation provisions | | |
|--------------------------------|--|---|
| Chapter | Short title | Extent of repeal |
| 1992 c. 12. | The Taxation of Chargeable Gains Act 1992. | In section 35(3)(d), the word “and” immediately preceding sub-paragraph (viii). |

This repeal shall be deemed to have come into force on 11th January 1994.

| (3)Assigned matters: minor corrections | | |
|--|---|---|
| Chapter | Short title | Extent of repeal |
| 1979 c. 2. | The Customs and Excise Management Act 1979. | In section 118A, subsection (7). |
| 1983 c. 55. | The Value Added Tax Act 1983. | In Schedule 7, in paragraph 7, sub-paragraph (6). |

Changes to legislation:

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Changes and effects yet to be applied to :

- s. 14(1)(ba) words inserted by [1998 c. 36 Sch. 2 para. 10\(c\)](#)
- s. 22(2)(f) words repealed by [S.I. 1999/2789 \(N.I.\) Sch. 3](#)
- s. 113(3)(b) repealed by [2009 c. 4 Sch. 3 Pt. 1](#)
- s. 161-164 modified by 2010 c. 8 s. 464(6) (as inserted) by [2017 c. 32 Sch. 5 para. 1](#)
- Sch. 5A Pt. 2 words inserted by [2013 c. 29 s. 186\(2\)](#)
- Sch. 7 para. 1(6)(e) repealed (NI) (prosp.) by [S.I. 1997/2983 \(N.I.\) art. 13\(2\)Sch. 2](#)
- Sch. 7 para. 18 word omitted by [2008 c. 9 s. 142\(1\)\(d\)](#)
- Sch. 7 para. 1(6)(f) words repealed by [S.I. 1999/2789 \(N.I.\) Sch. 3](#)
- Sch. 7A para. 3(4)(b) repealed by [S.I. 2015/2006 \(N.I.\) Sch. 12 Pt. 8](#)
- Sch. 7A para. 3(2)(a) words repealed by [S.I. 2015/2006 \(N.I.\) Sch. 12 Pt. 8](#)
- Sch. 7A para. 3(3) words repealed by [S.I. 2015/2006 \(N.I.\) Sch. 12 Pt. 8](#)
- Sch. 7A para. 3(4)(b) words repealed by [2012 c. 5 Sch. 14 Pt. 9](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 16A(2)(g) inserted by [2023 c. 30 Sch. 13 para. 28](#)
- s. 160(2)-(7) modified by 2010 c. 8 s. 464(6) (as inserted) by [2017 c. 32 Sch. 5 para. 1](#)
- Sch. 5 para. 2(1)(pa) inserted by [S.I. 2022/109 reg. 4](#) (This amendment not applied to [legislation.gov.uk](#). The affecting statutory instrument has no legal effect. It was made under a procedure which meant that it ceased to have effect 28 days after signing unless it was debated and approved in Parliament within that time. It was not debated and approved within 28 days, so it has expired with no effect.)