



# Finance Act 1996

## 1996 CHAPTER 8

### PART VII

#### MISCELLANEOUS AND SUPPLEMENTAL

##### *Miscellaneous: other matters*

#### **203 Modification of the Agriculture Act 1993.**

- (1) Part I of Schedule 2 to the <sup>M1</sup>Agriculture Act 1993 (taxation provisions applying to the reorganisation of the milk marketing boards) shall have effect, and be deemed always to have had effect, in accordance with subsections (2) to (4) below where—
  - (a) any approved scheme has made provision as to the functions of a milk marketing board in the period after the transfers taking effect on the vesting day under section 11 of that Act;
  - (b) regulations have been made by virtue of section 14(2) of that Act (provision following re-organisation) for giving effect to that provision; and
  - (c) a transaction is or has been entered into by that board in pursuance of any obligation under those regulations to carry out those functions so far as they relate to a subsidiary of the board.
- (2) For the purposes of that Part of that Schedule—
  - (a) anything done by way of entering into the transaction, or for the purpose of carrying it out, shall be deemed to have been done under and in accordance with the scheme; and
  - (b) the terms and other provisions having effect in relation to that transaction by virtue of anything contained in, or anything done in exercise of powers conferred by, any regulations under section 14(2) of the <sup>M2</sup>Agriculture Act 1993 shall be deemed to be terms for which the scheme provided or, as the case may be, to be provisions of the scheme.
- (3) Sub-paragraph (1) of paragraph 16 of Schedule 2 to the Agriculture Act 1993 (distributions) shall have effect, and be deemed always to have had effect, in a case

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*Changes to legislation: There are currently no known outstanding effects  
for the Finance Act 1996, Section 203. (See end of Document for details)*

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where the terms and provisions mentioned in subsection (2)(b) above involved or involve—

- (a) the issue or transfer of any shares in, or securities of, any body,
- (b) the conferring of any right to a distribution out of the assets of any body,
- (c) the conferring of any right to, or to acquire, shares in any body, or
- (d) the transfer to any person of any property or rights of a milk marketing board, or of the subsidiary of such a board,

as if the references to the vesting day in paragraphs (a), (c), (d) and (e) of that sub-paragraph were references to the day on which the winding up of the board is completed.

- (4) Sub-paragraph (4) of paragraph 31 of Schedule 2 to the Agriculture Act 1993 (condition to be satisfied if body to be qualifying body by virtue of sub-paragraph (1)(c)) shall have effect, and be deemed always to have had effect, as if—

- (a) the reference, in relation to a company, to 90 per cent. of its ordinary share capital were a reference to 70 per cent. of its ordinary share capital; and
- (b) the references to shares having been issued to any person included references to their having been allotted to that person.

- (5) Paragraph 1 of Schedule 2 to the Agriculture Act 1993 (tax continuity with successor bodies) shall have effect, and be deemed to have had effect, in relation to any relevant transfer after 31st December 1995 to a society registered under the <sup>M3</sup>Industrial and Provident Societies Act 1965 of—

- (a) a trade, or part of a trade, of a milk marketing board, or
- (b) any property, rights or liabilities of such a board,

as it has effect in relation to any transfer under section 11 of that Act to a qualifying body.

- (6) Paragraphs 16, 20, 25, 26, 28 and 29 of Schedule 2 to the Agriculture Act 1993 shall have effect, and be deemed to have had effect, in relation to any relevant transfer after 31st December 1995 of assets of a milk marketing board to a society registered under the Industrial and Provident Societies Act 1965 as if—

- (a) the terms and other provisions of the transaction for effecting the transfer were contained in an approved scheme;
- (b) the society were a relevant successor of that board; and
- (c) references in those paragraphs to the vesting day were references to the day on which the winding up of the board is completed.

- (7) For the purposes of subsections (5) and (6) above, a transfer of anything to a society registered under the <sup>M4</sup>Industrial and Provident Societies Act 1965 is a relevant transfer if—

- (a) it is a transfer in pursuance of regulations made by virtue of section 14(2) of the <sup>M5</sup>Agriculture Act 1993;
- (b) it is not a transfer of shares in a subsidiary of a milk marketing board; and
- (c) the condition mentioned in sub-paragraph (5) of paragraph 31 of Schedule 2 to that Act would have been met in relation to that society if the provision made as to the persons to whom the membership of the society is open were contained in an approved scheme providing for the transfer.

- (8) Paragraph 20 of Schedule 2 to the Agriculture Act 1993 (treatment of acquisition of certain shares and securities) shall not apply, and shall be deemed never to have applied, in relation to the acquisition of any security after 31st December 1995 if

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the indebtedness acknowledged by that security does not fall, for the purposes of the <sup>M6</sup>Taxation of Chargeable Gains Act 1992, to be treated as a debt on a security (as defined in section 132 of that Act of 1992).

- (9) For the purposes of [<sup>F1</sup>Part 5 of the Corporation Tax Act 2009 (loan relationships)], so far as it has effect for any accounting period ending after 31st March 1996 in relation to any creditor relationship represented by a debenture issued on or after 31st December 1995, paragraph 25 of Schedule 2 to the Agriculture Act 1993 shall have effect as if sub-paragraph (2)(a) of that paragraph (deemed consideration for issue of debenture issued under approved scheme) were omitted.
- (10) For the purposes of the Taxation of Chargeable Gains Act 1992, where any debenture to which paragraph 25 of Schedule 2 to the Agriculture Act 1993 applies has been or is issued at any time after 31st December 1995, the indebtedness acknowledged by that debenture shall be deemed (where that would not otherwise be the case) to be, and always to have been, a debt on a security (as defined in section 132 of that Act of 1992).
- (11) Expressions used in this section and in Part I of the Agriculture Act 1993 have the same meanings in this section as in that Part.

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#### **Textual Amendments**

- F1** Words in s. 203(9) substituted (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. 439](#) (with [Sch. 2 Pts. 1, 2](#))
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#### **Marginal Citations**

- M1** 1993 c. 37.  
**M2** 1993 c. 37.  
**M3** 1965 c.12.  
**M4** 1965 c. 12.  
**M5** 1993 c. 37.  
**M6** 1992 c.12.

**Changes to legislation:**

There are currently no known outstanding effects for the Finance Act 1996, Section 203.