



# Finance Act 1998

## CHAPTER 36

### FINANCE ACT 1998

#### PART I

##### EXCISE DUTIES

###### *Alcoholic liquor duties*

- 1 Rate of duty on beer.
- 2 Adjustment of rates of duty on sparkling liquors.
- 3 Rates of duty on wine and made-wine.
- 4 Rates of duty on cider.
- 5 Drawback of excise duty on beer.

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- 6 Charge on production without delivery.
- 7 Rates of duties and rebates.
- 8 Ultra low sulphur diesel.
- 9 Mixtures of heavy oils.

###### *Tobacco products duty*

- 10 Rates of tobacco products duty.

###### *Gaming duty*

- 11 Rates of gaming duty.

###### *Amusement machine licence duty*

- 12 Rates of amusement machine licence duty.
- 13 Further exception for thirty-five-penny machines.

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- 14 Video machines.

*Air passenger duty*

- 15 Fiscal representatives.

*Vehicle excise duty*

- 16 Rates of duty where pollution reduced.  
17 Restriction of exemption for old vehicles.  
18 Regulations relating to nil licences.  
19 Failure to pay amount required in respect of void licence.

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- 20 Assessments for excise duty purposes.

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- 21 Deemed supplies.  
22 Changes of place of supply: transitional.  
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INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

**CHAPTER I**

INCOME TAX AND CORPORATION TAX

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- 25 Charge and rates for 1998-99.  
26 Relief for a woman with a child and an incapacitated husband.  
27 Married couple's allowance etc. in and after 1999-00.

*Corporation tax charge and rates*

- 28 Charge and rates for financial year 1998.  
29 Charge and rates for financial year 1999.

*Corporation tax: periodic payments etc*

- 30 Corporation tax: due and payable date.  
31 Abolition of advance corporation tax.  
32 Unrelieved surplus advance corporation tax.  
33 Relief for interest payable under the Tax Acts.  
34 Charge to tax on interest payable under the Tax Acts.  
35 Further provision about interest payable under the Tax Acts.  
36 Arrangements with respect to payment of corporation tax.

*Gilt-edged securities*

- 37 Abolition of periodic accounting.

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### *Rents and other receipts from land*

- 38 Taxation of rents and other receipts from land.
- 39 Land managed as one estate and maintenance funds for historic buildings.
- 40 Treatment of premiums as rent.
- 41 Tied premises: receipts and expenses treated as those of trade.

### *Computation of profits of trade, profession or vocation*

- 42 Computation of profits of trade, profession or vocation.
- 43 Barristers and advocates in early years of practice.
- 44 Change of accounting basis.
- 45 Meaning of "period of account".
- 46 Minor and consequential provisions about computations.

### *Gifts to charities*

- 47 Gifts in kind for relief in poor countries.
- 48 Gifts of money for relief in poor countries.

### *Employee share incentives*

- 49 Employee share options.
- 50 Conditional acquisition of shares.
- 51 Convertible shares provided to directors and employees.
- 52 Information powers.
- 53 Provision supplemental to sections 50 to 52.
- 54 Amendments consequential on sections 50 to 53.

### *Construction industry workers*

- 55 Construction workers supplied by agencies.
- 56 Transitional provisions in connection with section 55.
- 57 Sub-contractors in the construction industry.

### *Payments and other benefits in connection with termination of employment etc.*

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

### *Benefits in kind*

- 59 Car fuel.
- 60 Reductions for road fuel gas cars.
- 61 Travelling expenses.

### *Profit-related pay*

- 62 Provision preventing manipulation of profit periods.

### *Foreign earnings deduction*

- 63 Withdrawal except in relation to seafarers.

### *PAYE: non-cash benefits etc.*

- 64 Transitory provision relating to tradeable assets.

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- 65 Payment in the form of a readily convertible asset.
- 66 Enhancing the value of an asset.
- 67 Gains from share options etc.
- 68 Vouchers and credit-tokens.
- 69 Intermediaries, non-UK employers, agencies etc.

*The enterprise investment scheme and venture capital trusts*

- 70 Qualifying trades for EIS and VCTs.
- 71 Pre-arranged exits from EIS.
- 72 Qualifying holdings for VCTs after 2nd July 1997.
- 73 Other changes to requirements for VCTs.
- 74 Other changes to EIS etc.

*Individual savings accounts etc.*

- 75 Use of PEPs powers to provide for accounts.
- 76 Tax credits for accounts and for PEPs.
- 77 The insurance element etc.
- 78 Phasing out of TESSAs.

*Relief for interest and losses etc.*

- 79 Relief for loan to acquire interest in a close company.
- 80 Relief for losses on unlisted shares in trading companies.
- 81 Group relief: special rules for consortium cases.
- 82 Carry forward of non-trading deficit on loan relationships.

*Capital allowances*

- 83 First-year allowances for investment in Northern Ireland.
- 84 First-year allowances for small businesses etc.
- 85 First-year allowances: consequential amendments etc.

*Insurance, insurance companies and friendly societies*

- 86 Life policies etc.
- 87 Non-resident insurance companies: tax representatives.
- 88 Overseas life assurance business.
- 89 Personal portfolio bonds.
- 90 Distributions to friendly societies.
- 91 Provisional repayments in connection with pension business.

*Pensions*

- 92 Approved retirement benefit schemes etc.
- 93 Benefits received under non-approved retirement benefits scheme.
- 94 Approval of personal pension schemes.
- 95 Personal pensions: charge on withdrawal of approval.
- 96 Information relating to personal pension schemes etc.
- 97 Notices to be given to scheme administrator.
- 98 Assessments on scheme administrators.

*Futures and options*

- 99 Extension of provisions relating to guaranteed returns.

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### *Securities*

- 100 Accrued income scheme.
- 101 Dealers in securities etc.
- 102 Manufactured dividends.

### *Double taxation relief*

- 103 Restriction of relief on certain interest and dividends.
- 104 Adjustments of interest and dividends for spared tax etc.
- 105 Meaning of "financial expenditure".
- 106 Underlying tax reflecting interest or dividends.
- 107 Notification of foreign tax adjustment.

### *Transfer pricing, FOREX and financial instruments*

- 108 New regime for transfer pricing etc.
- 109 Abolition of requirements for direction.
- 110 Determinations requiring the sanction of the Board.
- 111 Notice to potential claimants.

### *Controlled foreign companies*

- 112 Exempt activities.
- 113 Miscellaneous amendments.

### *Changes in company ownership*

- 114 Postponed corporation tax.
- 115 Information powers where ownership changes.
- 116 Provisions supplemental to sections 114 and 115.

### *Corporation tax self-assessment*

- 117 Company tax returns, assessments and related matters.

### *Telephone claims etc.*

- 118 Claims for income tax purposes.
- 119 Evidential provisions in PAYE regulations.

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### **TAXATION OF CHARGEABLE GAINS**

#### *Rate for trustees*

- 120 Rate of CGT for trustees etc.

#### *Taper relief and indexation allowance*

- 121 Taper relief for CGT.
- 122 Freezing of indexation allowance for CGT.

#### *Pooling and identification of shares etc.*

- 123 Abolition of pooling for CGT.
- 124 New identification rules for CGT.

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125 Indexation and share pooling etc.

*Stock dividends*

126 Capital gains on stock dividends.

*Non-residents etc.*

127 Charge to CGT on temporary non-residents.

128 Disposal of interests in a settlement.

129 Attribution of gains to settlor in section 10A cases.

130 Charge on beneficiaries of settlements with non-resident settlors.

131 Charge on settlors of settlements for grandchildren.

132 Charge on settlors of pre-19th March 1991 settlements.

*Groups of companies etc.*

133 Transfer within group to investment trust.

134 Transfer of company's assets to venture capital trust.

135 Transfer within group to venture capital trust.

136 Incorporated friendly societies.

137 Pre-entry gains.

138 Pre-entry losses.

139 De-grouping charges.

*Abolition of reliefs*

140 Phasing out of retirement relief.

141 Abolition of certain other CGT reliefs.

**PART IV**

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142 Property of historic interest etc.

143 Removal of exemption for gifts for public benefit.

144 Maintenance funds for historic buildings, etc.

145 Accounting for property accepted in satisfaction of tax.

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OTHER TAXES

*Insurance premium tax*

146 Travel insurance: higher rate tax.

147 Taxable intermediaries.

*Landfill tax*

148 Provisional collection of landfill tax.

*Stamp duty*

149 Stamp duty on conveyance or transfer on sale.

150 Relief from double stamp duties etc.

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*Stamp duty reserve tax*

- 151 Depository receipts and clearance services: exchanges of shares.

*Petroleum revenue tax etc.*

- 152 Gas valuation.

*Gas levy*

- 153 Reduction and abolition of gas levy.

*Dumping duties*

- 154 Repeal of Customs Duties (Dumping and Subsidies) Act 1969.

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MISCELLANEOUS AND SUPPLEMENTAL

*Fiscal stability*

- 155 Code for fiscal stability.  
156 Annual Budget documents.  
157 Supplementary powers of the Comptroller and Auditor General.

*Government borrowing*

- 158 Treasury's position regarding their own securities.  
159 Treasury bills.  
160 National loans.  
161 Non-FOTRA securities.  
162 Accounting statements relating to National Savings.

*The European single currency*

- 163 Adoption of single currency by other member States.

*Supplemental*

- 164 Interpretation.  
165 Repeals.  
166 Short title.

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**SCHEDULES**

**SCHEDULE 1 — Rates of duty where pollution reduced**

*Meaning of "the 1994 Act"*

- 1 In this Schedule "the 1994 Act" means the Vehicle Excise...

*Certificates as to reduced pollution*

- 2 The following section shall be inserted after section 61A of...

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### *Buses*

- 3 (1) In sub-paragraph (1) of paragraph 3 of Schedule 1...

### *Special vehicles*

- 4 In paragraph 4(7) of that Schedule (annual rates of vehicle...

### *Recovery vehicles*

- 5 In paragraph 5(6) of that Schedule (annual rates of vehicle...

### *Vehicles used for exceptional loads*

- 6 (1) In paragraph 6 of that Schedule (annual rates of...

### *Haulage vehicles*

- 7 (1) In paragraph 7 of that Schedule (annual rates of...

### *Rigid goods vehicles*

- 8 (1) In sub-paragraph (1) of paragraph 9 of that Schedule...  
9 After that paragraph there shall be inserted the following paragraphs  
—...  
10 In paragraph 10 of that Schedule (the trailer supplement), in...

### *Tractive units*

- 11 (1) In sub-paragraph (1) of paragraph 11 of that Schedule...  
12 After that paragraph there shall be inserted the following paragraphs  
—...

### *Other amendments*

- 13 In section 15 of the 1994 Act (vehicles becoming chargeable...  
14 In section 16 of the 1994 Act (exceptions from charge...  
15 In section 45 of the 1994 Act (offences relating to...  
16 (1) Paragraph 22 of Schedule 2 to that Act (exemption...

### *Commencement*

- 17 (1) Subject to sub-paragraph (2) below, the preceding provisions of...

## SCHEDULE 2 — Assessments for excise duty purposes

### *Alcoholic Liquor Duties Act 1979 (c.4)*

- 1 In section 8 of the Alcoholic Liquor Duties Act 1979...  
2 In section 10 of the Alcoholic Liquor Duties Act 1979...  
3 (1) Section 11 of the Alcoholic Liquor Duties Act 1979...

### *Hydrocarbon Oil Duties Act 1979 (c.5)*

- 4 (1) Section 13AB of the Hydrocarbon Oil Duties Act 1979...

### *Tobacco Products Duty Act 1979 (c.7)*

- 5 In section 8 of the Tobacco Products Duty Act 1979...



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*Finance (No. 2) Act 1992 (c.48)*

6 (1) Section 2 of the Finance (No. 2) Act 1992...

*Finance Act 1994 (c.9)*

7 In section 12 of the Finance Act 1994 (assessment to...

8 (1) In section 12A of the Finance Act 1994 (other...

9 (1) In section 12B of the Finance Act 1994, subsection...

10 In section 14 of the Finance Act 1994 (requirement for...

11 In section 16 of the Finance Act 1994 (appeals to...

*Commencement*

12 This Schedule shall come into force on such day as...

SCHEDULE 3 — Advance corporation tax

*Section 1 of the Provisional Collection of Taxes Act 1968*

1 (1) Section 1 of the Provisional Collection of Taxes Act...

*Section 10 of the Taxes Management Act 1970*

2 (1) Section 10 of the Taxes Management Act 1970 (notice...

*Section 87 of the Taxes Management Act 1970*

3 (1) Section 87 of the Taxes Management Act 1970 (interest...

*Section 87A of the Taxes Management Act 1970*

4 (1) Section 87A of the Taxes Management Act 1970 (interest...

*Section 94 of the Taxes Management Act 1970*

5 .....

*Section 109 of the Taxes Management Act 1970*

6 (1) Section 109 of the Taxes Management Act 1970 (corporation...

*Section 13 of the Taxes Act 1988*

7 (1) Section 13 of the Taxes Act 1988 (small companies'...

*Section 14 of the Taxes Act 1988*

8 (1) Section 14 of the Taxes Act 1988 (ACT and...

*Section 75 of the Taxes Act 1988*

9 (1) Section 75 of the Taxes Act 1988 (expenses of...

*Section 116 of the Taxes Act 1988*

10 (1) Section 116 of the Taxes Act 1988 (arrangements for...

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*Section 238 of the Taxes Act 1988*

- 11 (1) Section 238 of the Taxes Act 1988 (interpretation of...

*Section 239 of the Taxes Act 1988*

- 12 (1) Section 239 of the Taxes Act 1988 (set-off of...

*Section 240 of the Taxes Act 1988*

- 13 (1) Section 240 of the Taxes Act 1988 (set-off of...

*Section 241 of the Taxes Act 1988*

- 14 (1) Section 241 of the Taxes Act 1988 (calculation of...

*Section 245 of the Taxes Act 1988*

- 15 (1) Section 245 of the Taxes Act 1988 (calculation etc...

*Section 245A of the Taxes Act 1988*

- 16 (1) Section 245A of the Taxes Act 1988 (restriction on...

*Section 245B of the Taxes Act 1988*

- 17 (1) Section 245B of the Taxes Act 1988 (restriction on...

*Section 246 of the Taxes Act 1988*

- 18 (1) Section 246 of the Taxes Act 1988 (charge of...

*Section 247 of the Taxes Act 1988*

- 19 (1) Section 247 of the Taxes Act 1988 (dividends etc...

*Section 248 of the Taxes Act 1988*

- 20 (1) Section 248 of the Taxes Act 1988 (provisions supplemental...

*Section 252 of the Taxes Act 1988*

- 21 (1) Section 252 of the Taxes Act 1988 (rectification of...

*Section 253 of the Taxes Act 1988*

- 22 (1) Section 253 of the Taxes Act 1988 (power to...

*Section 255 of the Taxes Act 1988*

- 23 (1) Section 255 of the Taxes Act 1988 ("gross rate"...

*Section 419 of the Taxes Act 1988*

- 24 (1) Section 419 of the Taxes Act 1988 (loans to...

*Section 434 of the Taxes Act 1988*

- 25 (1) Section 434 of the Taxes Act 1988 (franked investment...

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*Section 434C of the Taxes Act 1988*

26 (1) Section 434C of the Taxes Act 1988 (interest on...

*Section 468Q of the Taxes Act 1988*

27 (1) Section 468Q of the Taxes Act 1988 (dividend distribution...

*Section 490 of the Taxes Act 1988*

28 (1) Section 490 of the Taxes Act 1988 (companies carrying...

*Section 497 of the Taxes Act 1988*

29 (1) Section 497 of the Taxes Act 1988 (restriction on...

*Section 498 of the Taxes Act 1988*

30 (1) Section 498 of the Taxes Act 1988 (limited right...

*Section 499 of the Taxes Act 1988*

31 (1) Section 499 of the Taxes Act 1988 (surrender of...

*Section 703 of the Taxes Act 1988*

32 (1) Section 703 of the Taxes Act 1988 (cancellation of...

*Section 704 of the Taxes Act 1988*

33 (1) Section 704 of the Taxes Act 1988 (the prescribed...

*Section 705 of the Taxes Act 1988*

34 (1) Section 705 of the Taxes Act 1988 (appeals against...

*Section 797 of the Taxes Act 1988*

35 (1) Section 797 of the Taxes Act 1988 (limits on...

*Section 802 of the Taxes Act 1988*

36 (1) Section 802 of the Taxes Act 1988 (UK...

*Section 813 of the Taxes Act 1988*

37 (1) Section 813 of the Taxes Act 1988 (recovery of...

*Section 826 of the Taxes Act 1988*

38 (1) Section 826 of the Taxes Act 1988 (interest on...

*Section 832 of the Taxes Act 1988*

39 (1) Section 832 of the Taxes Act 1988 (interpretation of...

*Section 835 of the Taxes Act 1988*

40 (1) Section 835 of the Taxes Act 1988 ("total income"...

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*Schedule 13 to the Taxes Act 1988*

- 41 (1) Schedule 13 to the Taxes Act 1988 (collection of...

*Schedule 13A to the Taxes Act 1988*

- 42 (1) Schedule 13A to the Taxes Act 1988 (surrenders of...

*Schedule 24 to the Taxes Act 1988*

- 43 (1) Schedule 24 to the Taxes Act 1988 (assumptions in...

*Schedule 26 to the Taxes Act 1988*

- 44 (1) Schedule 26 to the Taxes Act 1988 (controlled foreign...

*Paragraph 8 of Schedule 4 to the Finance (No. 2) Act 1997*

- 45 Paragraph 8 of Schedule 4 to the Finance ( No....

*Paragraph 9 of Schedule 4 to the Finance (No. 2) Act 1997*

- 46 Paragraph 9 of Schedule 4 to the Finance ( No....

*Paragraph 18 of Schedule 4 to the Finance (No. 2) Act 1997*

- 47 Paragraph 18 of Schedule 4 to the Finance ( No....

*Paragraph 23 of Schedule 4 to the Finance (No. 2) Act 1997*

- 48 Paragraph 23 of Schedule 4 to the Finance ( No....

SCHEDULE 4 — Interest payable under the Tax Acts by or to companies

*Interest on overpaid or early paid corporation tax*

- 1 (1) In section 826(2) of the Taxes Act 1988 (which...

*The “material date” for interest on a repayment of income tax*

- 2 (1) In section 826 of the Taxes Act 1988 (interest...

*Recovery of interest overpaid under section 826(1)(a)*

- 3 (1) In section 826 of the Taxes Act 1988 (interest...

*Interest on underpaid tax where reliefs are carried back*

- 4 (1) Section 87A of the Taxes Management Act 1970 (interest...

*Interest on overpaid tax where reliefs are carried back*

- 5 (1) Section 826 of the Taxes Act 1988 (interest on...

*Company liquidations*

- 6 (1) Section 342 of the Taxes Act 1988 (tax on...

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*Loan relationships*

7 .....

SCHEDULE 5 — Rent and other receipts from land

Part I — MAIN CHARGING PROVISIONS

- 1 In section 15(1) of the Taxes Act 1988 (the Schedule...
- 2 In section 15 of the Taxes Act 1988 (the Schedule...
- 3 For the heading to Part II of the Taxes Act...
- 4 For section 21 of the Taxes Act 1988 (persons chargeable...
- 5 After section 21B of the Taxes Act 1988 (inserted by...
- 6 .....
- 7 .....
- 8 In section 27 of the Taxes Act 1988 (maintenance funds...
- 9 Section 28 of the Taxes Act 1988 (deductions from receipts...
- 10 Section 29 of the Taxes Act 1988 (sporting rights) shall...
- 11 In section 30(1) of the Taxes Act 1988 (expenditure on...
- 12 Section 31 of the Taxes Act 1988 (provisions supplementary to...
- 13 Section 33 of the Taxes Act 1988 (agricultural land: allowance...
- 14 Sections 33A and 33B of the Taxes Act 1988 (connected...
- 15 (1) Section 34 of the Taxes Act 1988 (treatment of...
- 16 (1) Section 35 of the Taxes Act 1988 (charge on...
- 17 (1) Section 36 of the Taxes Act 1988 (charge on...
- 18 (1) Section 37 of the Taxes Act 1988 (deductions from...
- 19 For the heading before section 40 of the Taxes Act...
- 20 (1) Section 40 of the Taxes Act 1988 (tax treatment...
- 21 Section 41 of the Taxes Act 1988 (relief for rent...
- 22 In section 42A of the Taxes Act 1988 (non-residents and...
- 23 In section 65 of the Taxes Act 1988 (Case IV...
- 24 .....
- 25 After section 70 of the Taxes Act 1988 (corporation tax:...

Part II — TREATMENT OF LOSSES

- 26 In Chapter I of Part X of the Taxes Act...
- 27 After that section insert— Losses from overseas property business. The provisions of section 379A apply in relation to an...
- 28 In Chapter II of Part X of the Taxes Act...
- 29 For section 403 of the Taxes Act 1988 (losses, etc....
- 30 In Chapter V of Part XII of the Taxes Act...
- 31 In Chapter VI of Part XVII of the Taxes Act...
- 32 In section 769 of the Taxes Act 1988 (rules for...

Part III — MINOR AND CONSEQUENTIAL AMENDMENTS

*Taxes Management Act 1970 (c. 9)*

33 .....

*Income and Corporation Taxes Act 1988 (c.1)*

- 34 In section 87(1) of the Taxes Act 1988 (treatment of...
- 35 In section 118 of the Taxes Act 1988 (limited partnerships:...
- 36 In section 400 of the Taxes Act 1988 (loss relief:...
- 37 (1) Section 404 of the Taxes Act 1988 (limitation of...
- 38 In section 413(6) of the Taxes Act 1988 (interpretation: meaning...
- 39 In Chapter I of Part XII of the Taxes Act...

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- 40 .....  
 41 In section 441B of the Taxes Act 1988 (treatment of...  
 42 For section 503 of the Taxes Act 1988 (letting of...  
 43 In section 579 of the Taxes Act 1988, omit subsection...  
 44 In section 787(3) of the Taxes Act 1988 (restriction of...  
 45 .....  
 46 In Schedule 26 to the Taxes Act 1988 (allowance of...

*Capital Allowances Act 1990 (c.1)*

- 47 .....  
 48 .....  
 49 .....  
 50 .....  
 51 .....  
 52 .....  
 53 .....  
 54 .....  
 55 .....  
 56 .....  
 57 .....  
 58 .....  
 59 .....  
 60 .....  
 61 .....

*Taxation of Chargeable Gains Act 1992 (c.12)*

- 62 In section 241(3) of the Taxation of Chargeable Gains Act...  
 63 (1) Schedule 8 to the Taxation of Chargeable Gains Act...

*Finance Act 1996 (c. 8)*

- 64 (1) Schedule 8 to the Finance Act 1996 (loan relationships:...)
   
Part IV — TRANSITIONAL PROVISIONS FOR CORPORATION TAX

*Introduction*

- 65 (1) This Part of this Schedule makes provision with respect...

*Receipts and expenses not to be counted twice*

- 66 (1) To the extent that receipts or expenses have been...

*Receipts and expenses not to be left out of account*

- 67 To the extent that receipts or expenses would under the...

*Expenses not to be carried back to before commencement*

- 68 Expenses which were incurred before commencement but were not taken...

*Effect of transfer of underlying rights*

- 69 If any estate, interest or rights in or over land...

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*Bad debt relief*

70 (1) Where relief under section 41 of the Taxes Act...

*Meaning of “taken into account”*

71 For the purposes of paragraphs 66 to 70 an amount...

*Unrelieved Case VI losses*

72 (1) A loss to which this paragraph applies which a...

*Source ceasing in transitional accounting period*

73 (1) The provisions of Parts I to III of this...

*Superseded provisions relating to finance leasing*

74 (1) In Schedule 12 to the Finance Act 1997 (leasing...

*Computation of amounts available for surrender as group relief*

75 In computing under section 403 of the Taxes Act 1988...

*Meaning of “transitional accounting period”*

76 For the purposes of paragraphs 73 and 75 a “transitional...

SCHEDULE 6 — Adjustment on change of accounting basis

*Introduction*

1

*Adjustment on change of accounting basis*

2

*Calculation of adjustment*

3

*Spreading of adjustment charge in certain cases*

4

*Election to accelerate payment of adjustment charge*

5

*Application of provisions to partnerships*

6

*Liability of personal representatives in case of death of person chargeable*

7

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### *Interpretation*

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#### SCHEDULE 7 — Removal of unnecessary references to gains

- 1 In the Taxes Act 1988: sections ... ..
- 2 In the Finance Act 1988: ... Schedule 12, paragraph 2(2)....
- 3 In the Finance Act 1989: sections 67(2)(a) ... ..
- 4 .....
- 5 In the Finance Act 1990: section 126(2).
- 6 In the Finance Act 1991: section 121.
- 7 In the Taxation of Chargeable Gains Act 1992: sections 39(1)...
- 8 In the Finance ( No. 2) Act 1992: section 42(8)...
- 9 In the Finance Act 1994: Schedule 24, paragraph 12(2).
- 10 In the Finance Act 1995: section 126(6) and (7).
- 11 In the Finance Act 1996: sections 80(2) (in the second...
- 12 In the Finance Act 1997: Schedule 12, paragraph 8(4)(a).

#### SCHEDULE 8 — Sub-contractors in the construction industry

##### *Introductory*

- 1 Chapter IV of Part XIII of the Taxes Act 1988...

##### *Application of deductions to public departments Et cetera*

- 2 (1) In section 559, after subsection (5) (excess of deduction...

##### *Conditions for exemption of partnerships*

- 3 (1) In subsection (2A) of section 564 (certificates for partnerships),...

##### *Conditions of exemption for companies*

- 4 (1) For subsections (2A) and (2B) of section 565 (certificates...

##### *Commencement of paragraphs 3 and 4*

- 5 Paragraphs 3 and 4 above have effect in relation to...

##### *Powers to make regulations*

- 6 In section 566 (powers to make regulations under Chapter IV),...

##### *Transitional provision for commencement of 1995 Act amendments*

- 7 An order under subsection (3) of section 139 of the...

#### SCHEDULE 9 — Payments and other benefits in connection with termination of employment etc

##### Part I — SCHEDULE 11 TO THE TAXES ACT 1988

##### Part II — CONSEQUENTIAL AMENDMENTS



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*Income and Corporation Taxes Act 1988 (c.1)*

- 1 (1) Section 189 of the Taxes Act 1988 (exemption from...
- 2 In section 190 of the Taxes Act 1988 (payments to...
- 3 In section 202B(8) of the Taxes Act 1988 (receipts basis...
- 4 In section 833(3)(a) of the Taxes Act 1988 (calculation of...

*Finance Act 1995 (c.4)*

- 5 In section 92 of the Finance Act 1995 (post-employment deductions),...

SCHEDULE 10 — Ordinary commuting and private travel

SCHEDULE 11 — Transitional provisions for profit-related pay

*Application of Schedule*

- 1 —(1) This Schedule applies for the purposes of Chapter III...

*Rule for determining section 171(4) limit*

- 2 (1) The section 171(4) limit applicable to any profit-related pay...

*Meaning of related scheme*

- 3 (1) In the case of any employee a scheme is,...

*Meaning of “relevant anniversar”y*

- 4 For the purposes of this Schedule the relevant anniversary is—...

*General interpretation*

- 5 (1) Expressions used in this Schedule and in Chapter III...

SCHEDULE 12 — EIS and VCTs: meaning of qualifying trade

*New exclusions for the enterprise investment scheme*

- 1 (1) In subsection (2) of section 297 of the Taxes...

*Definition of excluded activities for the enterprise investment scheme*

- 2 (1) In subsection (5) of section 298 of the Taxes...

*New exclusions for VCTs*

- 3 (1) In sub-paragraph (2) of paragraph 4 of Schedule 28B...

*Definition of excluded activities for VCTs*

- 4 (1) In sub-paragraph (1) of paragraph 5 of that Schedule...

*Commencement*

- 5 (1) Paragraphs 1 and 2 above have effect in relation...

SCHEDULE 13 — Changes to EIS etc

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Part I — EIS INCOME TAX RELIEF

*Eligibility for relief*

- 1 (1) In subsection (1) of section 289 of the Taxes...

*Form of relief*

- 2 In subsection (4) of section 289A of the Taxes Act...

*Attribution of relief to shares*

- 3 (1) In subsection (3)(b) of section 289B of the Taxes...

*Maximum subscriptions et cetera*

- 4 In subsection (2) of section 290 of the Taxes Act...  
5 Section 290A of the Taxes Act 1988 shall cease to...

*Individuals qualifying for relief*

- 6 (1) In subsection (1) of section 291 of the Taxes...

*Connected persons: directors*

- 7 (1) In subsection (1)(a) of section 291A of the Taxes...

*Connected persons: persons interested in capital et cetera*

- 8 (1) After subsection (5) of section 291B of the Taxes...

*Qualifying companies and qualifying trades*

- 9 (1) In subsection (3B)(b) of section 293 of the Taxes...  
10 In subsection (1) of section 297 of the Taxes Act...  
11 In subsection (1) of section 298 of the Taxes Act...

*Disposal of shares*

- 12 (1) In subsection (1) of section 299 of the Taxes...

*Value received from company*

- 13 (1) For subsection (1) of section 300 of the Taxes...  
14 (1) After subsection (4) of section 301 of the Taxes...

*Value received by persons other than claimants*

- 15 (1) For subsections (1) to (2) of section 303 of...

*Husband and wife*

- 16 (1) After subsection (3) of section 304 of the Taxes...

*Acquisition of share capital by new company*

- 17 (1) After section 304 of the Taxes Act 1988 there...

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*Relief for loss on disposal of shares*

18 (1) In subsection (2) of section 305A of the Taxes...

*Claims*

19 (1) In subsection (1) of section 306 of the Taxes...

*Withdrawal of relief*

20 (1) In subsection (1A) of section 307 of the Taxes...

*Application to subsidiaries*

21 In subsection (2) of section 308 of the Taxes Act...

*Information*

22 (1) In subsection (1) of section 310 of the Taxes...

*Interpretation of Chapter 3III*

23 (1) In subsection (1) of section 312 of the Taxes...

Part II — EIS RELIEF AGAINST CHARGEABLE GAINS

24 (1) In subsections (1) and (2) of section 150A of...

25 (1) In subsection (1) of section 150B of that Act...

Part III — EIS DEFERRAL OF CHARGEABLE GAINS

*Preliminary*

26 Schedule 5B to the Taxation of Chargeable Gains Act 1992...

*Application of Schedule*

27 (1) In sub-paragraph (1)(b) of paragraph 1, after the words...

*Failure of conditions of application*

28 After that paragraph there shall be inserted the following paragraph—...

*Postponement of original gain*

29 In sub-paragraph (3) of paragraph 2, for paragraph (a) there...

*Chargeable events*

30 (1) In sub-paragraph (1) of paragraph 3—

*Gains accruing on chargeable event*

31 (1) For sub-paragraphs (2) to (4) of paragraph 4 there...

*Persons to whom gain accrues*

32 In sub-paragraph (1) of paragraph 5, for paragraphs (c) and...

*Claims*

33 For paragraph 6 there shall be substituted the following paragraph—...

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*Reorganisations and reconstructions*

34 After paragraph 6 there shall be inserted the following paragraphs—...

*Anti-avoidance provisions*

35 After paragraph 9 there shall be inserted the following paragraphs—...

*Supplementary provisions*

36 After paragraph 15 there shall be inserted the following paragraphs—...

Part IV — BES INCOME TAX RELIEF AND RELIEF AGAINST CHARGEABLE  
GAINS

37 Any reference in this Part to a provision of Chapter...

38 (1) In subsection (8) of section 293 of the Taxes...

39 (1) At the beginning of subsection (1) of section 299...

40 (1) After subsection (6) of section 304 of the Taxes...

41 (1) After that section there shall be inserted the following...

42 (1) In subsection (4)(a) of section 150 of the Taxation...

SCHEDULE 14 — Life policies, life annuities and capital redemption policies

*Section 547*

1 (1) Section 547 of the Taxes Act 1988 (method of...

*Multiple interests*

2 After section 547 of the Taxes Act 1988 there shall...

*Right of company to recover tax from trustees*

3 After section 551 of the Taxes Act 1988 (right of...

*Foreign institution policies: no reduction under section 553*

4 (1) Section 553 of the Taxes Act 1988 (non-resident policies...

*Consequential amendments*

5 In section 7(9) of the Taxes Management Act 1970 (meaning...

6 In section 151 of the Finance Act 1989 (assessment of...

*Commencement*

7 (1) . . . . .

SCHEDULE 15 — Approved retirement benefits schemes

*Amendment of section 591C of the Taxes Act 1988*

1 (1) Section 591C of the Taxes Act 1988 (charge to...

*Amendment of section 591D*

2 (1) In section 591D(3) of the Taxes Act 1988 (persons...

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*Application for scheme approval*

3 (1) In subsection (1) of section 604 of the Taxes...

*Information powers*

4 In section 605(1B) of the Taxes Act 1988 (matters about...

*Employers responsible for discharging administrator's duties*

5 (1) Section 606 of the Taxes Act 1988 (persons responsible...

*Recourse to scheme members in respect of section 591C charge*

6 (1) After section 606 of the Taxes Act 1988 there...

*Modification of certain existing approved schemes*

7 (1) This paragraph applies in relation to any retirement benefits...

SCHEDULE 16 — Transfer pricing etc: new regime

SCHEDULE 17 — Controlled foreign companies

*Section 747*

1 (1) Section 747 of the Taxes Act 1988 (imputation of...

*Section 747A*

2 (1) Section 747A of the Taxes Act 1988 (special rule...

*Section 748*

3 (1) Section 748 of the Taxes Act 1988 (limitations on...

*Section 749*

4 For section 749 of the Taxes Act 1988 (residence and...

*Section 750*

5 (1) Section 750 of the Taxes Act 1988 (territories with...

*Section 751*

6 (1) Section 751 of the Taxes Act 1988 (accounting periods...

*Section 752*

7 For section 752 of the Taxes Act 1988 (apportionment of...

*Section 753*

8 Section 753 of the Taxes Act 1988 (notices and appeals)...

*Section 754*

9 (1) Section 754 of the Taxes Act 1988 (assessment, recovery...

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*Returns where it is not established whether acceptable distribution policy applies*

10 After section 754 of the Taxes Act 1988 there shall...

*Determinations requiring the sanction of the Board*

11 After section 754A of the Taxes Act 1988 there shall...

*Section 755*

12 Section 755 of the Taxes Act 1988 (information relating to...

*Treatment of chargeable profits and creditable tax apportioned to company carrying on life assurance business*

13 After section 755 of the Taxes Act 1988 there shall...

*Amendment of return where general insurance business of foreign company accounted for on non-annual basis*

14 After section 755A of the Taxes Act 1988 there shall...

*Application of Chapter where general insurance business of foreign company accounted for on non-annual basis.*

15 After section 755B of the Taxes Act 1988 there shall...

*Section 756*

16 (1) Section 756 of the Taxes Act 1988 (interpretation and...

*Paragraph 1 of Schedule 24*

17 (1) In Schedule 24 to the Taxes Act 1988 (assumptions...

*Paragraph 2 of Schedule 24*

18 In paragraph 2(1) of Schedule 24 to the Taxes Act...

*Paragraph 4 of Schedule 24*

19 (1) Paragraph 4 of Schedule 24 to the Taxes Act...

*Paragraph 9 of Schedule 24*

20 (1) Paragraph 9 of Schedule 24 to the Taxes Act...

*Paragraph 10 of Schedule 24*

21 In paragraph 10 of Schedule 24 to the Taxes Act...

*Paragraph 11 of Schedule 24*

22 Paragraph 11 of Schedule 24 to the Taxes Act 1988...

*Paragraph 11A of Schedule 24*

23 In paragraph 11A of Schedule 24 to the Taxes Act...

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*Transfer pricing*

24 After paragraph 19 of Schedule 24 to the Taxes Act...

*Schedule 25*

25 For the heading to Schedule 25 to the Taxes Act...

*Paragraph 1 of Schedule 25*

26 In paragraph 1 of Schedule 25 to the Taxes Act...

*Paragraph 2A of Schedule 25*

27 (1) Paragraph 2A of Schedule 25 to the Taxes Act...

*Paragraph 3 of Schedule 25*

28 In paragraph 3(4A) of Schedule 25 to the Taxes Act...

*Paragraph 5 of Schedule 25*

29 In paragraph 5(2)(a) of Schedule 25 to the Taxes Act...

*Paragraph 6 of Schedule 25*

30 (1) Paragraph 6 of Schedule 25 to the Taxes Act...

*Paragraph 8 of Schedule 25*

31 (1) Paragraph 8 of Schedule 25 to the Taxes Act...

*Paragraph 12 of Schedule 25*

32 (1) Paragraph 12 of Schedule 25 to the Taxes Act...

*Superior holding companies: supplementary provisions*

33 After paragraph 12 of Schedule 25 to the Taxes Act...

*Paragraph 1 of Schedule 26*

34 (1) In Schedule 26 to the Taxes Act 1988 (reliefs...

*Paragraph 3 of Schedule 26*

35 (1) Paragraph 3 of Schedule 26 to the Taxes Act...

*Paragraph 4 of Schedule 26*

36 (1) Paragraph 4 of Schedule 26 to the Taxes Act...

*Commencement and transitional provision*

37 (1) The preceding provisions of this Schedule have effect as...

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*Meaning of “tax”*

- 1 In this Schedule “tax” means corporation tax including, except as...

*Duty to give notice of chargeability*

- 2 (1) A company which— (a) is chargeable to tax for...  
Part II — COMPANY TAX RETURN

*Company tax return*

- 3 (1) An officer of Revenue and Customs may by notice...  
3A (1) Her Majesty's Revenue and Customs may from time to...

*Meaning of delivery of return*

- 4 References in this Schedule to the delivery of a company...

*Period for which return required*

- 5 (1) A notice requiring a company tax return must specify...

*Notice relating to period beginning before appointed day*

- 6 (1) A notice requiring a company tax return may be...

*Return to include self-assessment*

- 7 (1) Every company tax return for an accounting period must...

*Residential property developer tax*

- 7A (1) A residential property developer must include in its company...

*Energy (oil and gas) profits levy*

- 7B (1) A company which has made any qualifying levy profits...

*Calculation of tax payable*

- 8 (1) The amount of tax payable for an accounting period...

*Claims that cannot be made without a return*

- 9 (1) No claim to which this paragraph applies may be...

*Other claims and elections to be included in return*

- 10 (1) In Part VII of this Schedule (general provisions as...

*Accounts required in case of Companies Act company*

- 11 (1) In the case of a company which—

*Information about business carried on in partnership*

- 12 (1) A company tax return of a company which carries...



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*Information about chargeable gains*

- 13 (1) A notice requiring a company tax return may require...

*Filing date*

- 14 (1) The filing date for a company tax return is...

*Amendment of return by company*

- 15 (1) A company may amend its company tax return by...

*Correction of return by Revenue*

- 16 (1) An officer of Revenue and Customs may amend a...

*Failure to deliver return: flat-rate penalty*

- 17 (1) A company which is required to deliver a company...

*Failure to deliver return: tax-related penalty*

- 18 (1) A company which is required to deliver a company...

*Excuse for late delivery of return*

- 19 A company is not liable to a penalty under paragraph...

*Penalty for incorrect or uncorrected return*

- 20 (1) A company which— (a) fraudulently or negligently delivers a...

*Voluntary returns*

- 20A (1) This paragraph applies where— (a) a company delivers a...  
Part III — DUTY TO KEEP AND PRESERVE RECORDS

*Duty to keep and preserve records*

- 21 (1) A company which may be required to deliver a...

*Preservation of information etc*

- 22 (1) The duty under paragraph 21 to preserve records may...

*Penalty for failure to keep and preserve records*

- 23 (1) A company which fails to comply with paragraph 21...  
Part IV — ENQUIRY INTO COMPANY TAX RETURN

*Notice of enquiry*

- 24 (1) An officer of Revenue and Customs may enquire into...

*Scope of enquiry*

- 25 (1) An enquiry into a company tax return extends to...

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*Enquiry into return for wrong period*

26 (1) In the case of a company tax return which...

*Notice to produce documents, etc. for purposes of enquiry*

27 (1) If an officer of Revenue and Customs gives a...

*Appeal against notice to produce documents, etc*

28 (1) An appeal may be brought against a requirement imposed...

*Penalty for failure to produce documents, etc*

29 (1) A company which fails to comply with a notice...

*Amendment of self-assessment during enquiry to prevent loss of tax*

30 (1) If after notice of enquiry has been given and...

*Amendment of return by company during enquiry*

31 (1) This paragraph applies if a company amends its company...

*Referral of questions to the tribunal during enquiry*

31A (1) At any time when an enquiry is in progress...

*Withdrawal of notice of referral*

31B (1) An officer of Revenue and Customs or the company...

*Effect of referral on enquiry*

31C (1) While proceedings on a referral under paragraph 31A are...

*Effect of determination*

31D (1) The determination of a question referred to the tribunal...

*Completion of enquiry*

32 (1) Any matter to which an enquiry relates is completed...

*Direction to complete enquiry*

33 (1) The company may apply to the tribunal for a...

*Amendment of return after enquiry*

34 (1) This paragraph applies where a partial or final closure...

*Further return for outstanding period*

35 (1) Where, following an enquiry into a company tax return—...  
Part V — REVENUE DETERMINATIONS AND ASSESSMENTS

*Determination of tax payable if no return delivered in response to notice*

36 (1) If no return is delivered in response to a...

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*Determination of tax payable if notice complied with in part*

37 (1) If a notice requiring a company tax return is...

*Extent of power to make determination*

38 (1) The power to make a determination under paragraph 36...

*Determination to have effect as self-assessment*

39 (1) A determination under paragraph 36 or 37 has effect...

*Determination superseded by actual self-assessment*

40 (1) If after a determination has been made under paragraph...

*Assessment where loss of tax discovered or  
determination of amount discovered to be incorrect*

41 (1) If an officer of Revenue and Customs discovers as...

*Restrictions on power to make discovery assessment or determination*

42 (1) The power to make— (a) a discovery assessment for...

*Loss of tax brought about carelessly or deliberately*

43 A discovery assessment for an accounting period for which the...

*Situation not disclosed by return or related documents etc.*

44 (1) A discovery assessment for an accounting period for which...

*Return made in accordance with prevailing practice*

45 No discovery assessment for an accounting period for which the...

*General time limits for assessments*

46 (1) Subject to any provision of the Taxes Acts allowing...

*Assessment procedure*

47 (1) Notice of an assessment to tax on a company...

*Appeal against assessment*

48 (1) An appeal may be brought against any assessment to...

*Application of provisions to discovery determinations*

49 The provisions of paragraphs 46 to 48 (assessments: general provisions...

*Transfer pricing records: carelessness*

49A (1) This paragraph applies where— (a) the situation mentioned in...  
Part VI — OVERPAID TAX, EXCESSIVE ASSESSMENTS OR REPAYMENTS, ETC

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*Relief in case of double assessment*

- 50 (1) A company which believes it has been assessed to...

*Claim for relief for overpaid tax etc*

- 51 (1) This paragraph applies where— (a) a person has paid...

*Cases in which Commissioners not liable to give effect to a claim*

- 51A (1) The Commissioners for Her Majesty's Revenue and Customs are...

*Making a claim*

- 51B (1) A claim under paragraph 51 may not be made...

*Determinations under paragraphs 36 and 37: special rules*

- 51BA (1) This paragraph applies where— (a) a determination has been...

*The claimant: one person accountable for amounts payable by another*

- 51C (1) Sub-paragraph (2) applies where a person (“P”) is accountable...

*The claimant: partnerships*

- 51D (1) This paragraph applies where— (a) a trade, profession or...

*Assessment of claimant in connection with claim*

- 51E (1) This paragraph applies where— (a) a claim is made...

*Amendment of partnership return etc in connection with claim*

- 51F (1) This paragraph applies where— (a) a claim is made...

*Contract settlements*

- 51G (1) In paragraph 51(1)(a) the reference to an amount paid...

*Recovery of excessive repayments etc*

- 52 (1) The provisions of paragraphs 41 to 48 relating to...

*Time limit for recovery of excessive repayments, etc.*

- 53 (1) An assessment made by virtue of paragraph 52 is...

Part VII — GENERAL PROVISIONS AS TO CLAIMS AND ELECTIONS

*Claims must be quantified*

- 54 A claim under any provision of the Corporation Tax Acts...

*General time limit for making claims*

- 55 Subject to any provision prescribing a longer or shorter period,...

*Supplementary claim or election*

- 56 A company which has made a claim or election under...

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*Claims or elections affecting a single accounting period*

57 (1) This paragraph applies to a claim or election for...

*Claims or elections involving more than one accounting period*

58 (1) This paragraph applies to a claim or election for...

*Other claims and elections*

59 (1) Schedule 1A to the Taxes Management Act 1970 applies...

*Provisions supplementary to paragraphs 57 to 59*

60 (1) Paragraphs 57 to 59 have effect subject to any...

*Consequential claims, etc. arising out of certain Revenue amendments or assessments*

61 (1) Paragraphs 62 to 64 have effect to allow certain...

*Consequential claims etc that may be made*

62 (1) A claim, election, application or notice to which this...

*Consequential claims etc. affecting tax liability of another person*

63 (1) If the effect of the exercise by any person...

*Consequential claims etc. not to give rise to reduction in liability*

64 (1) If in any case— (a) one or more claims,...

*Consequential claims in case of loss of tax brought about carelessly or deliberately*

65 (1) This paragraph applies where an assessment is made on...  
Part VIII — CLAIMS FOR GROUP RELIEF AND GROUP RELIEF FOR  
CARRIED-FORWARD LOSSES

*Introduction*

66 (1) This Part of this Schedule applies to—

*Claim to be included in company tax return*

67 (1) A claim ... must be made by being included...

*Content of claims*

68 (1) A claim ... must specify— (a) the amount of...

*Claims for more or less than the amount available for surrender*

69 (1) A claim ... may be made for less than...

*Consent to surrender*

70 (1) In accordance with Requirement 1 in section 130(2), 135(2),...

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*Notice of consent*

71 (1) Notice of consent by the surrendering company must contain...

*Notice of consent: additional requirements where claim is for group relief for carried-forward losses*

71A (1) Where notice of consent by the surrendering company is...

*Notice of consent requiring amendment of return*

72 (1) Where notice of consent by the surrendering company relates...

*Withdrawal or amendment of claim*

73 (1) A claim ... may be withdrawn by the claimant...

*Time limit for claims*

74 (1) A claim ... may be made or withdrawn at...

*Reduction in amount available for surrender*

75 (1) This paragraph applies if, after the surrendering company has...

*Assessment on other claimant companies*

75A (1) This paragraph applies where, after the surrendering company has...

*Assessment to recover excessive ... relief*

76 (1) If an officer of Revenue and Customs discovers that...

*Joint amended returns*

77 (1) The Treasury may by regulations make provision for arrangements...

*Claims in respect of overseas losses of non-resident companies*

77A (1) This paragraph applies if a claim for group relief...

PART 8A — CLAIMS FOR ALLOCATION OF SURPLUS DUAL INCLUSION INCOME

*Introduction*

77B (1) This Part of this Schedule applies to allocation claims...

*Claims to be included in company tax return*

77C (1) An allocation claim must be made by being included...

*Consent to allocation claim*

77D (1) In accordance with Requirement 1 in section 259ZMB of...

*Notice of consent*

77E (1) Notice of consent to an allocation claim given by...

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*Notice of consent requiring amendment of return*

77F (1) Where company A gives notice of consent to an...

*Withdrawal or amendment of allocation claim*

77G (1) An allocation claim may be withdrawn by company B...

*Time limit for allocation claims*

77H (1) An allocation claim may be made or withdrawn at...

*Reduction in DII surplus*

77I (1) This paragraph applies if, after company A has given...

*Assessments on other companies*

77J (1) This paragraph applies where, after company A has given...

*Assessment to recover excessive amount claimed*

77K (1) If an officer of Revenue and Customs discovers that...

*Joint amended returns*

77L (1) The Treasury may by regulations make provision for arrangements...  
Part IX — CLAIMS FOR CAPITAL ALLOWANCES

*Introduction*

78 This Part of this Schedule applies to claims for allowances...

*Claim to be included in company tax return*

79 (1) A claim for capital allowances must be included in...

*Content of claims*

80 A claim for capital allowances must specify the amount claimed,...

*Amendment or withdrawal of claim*

81 A claim for capital allowances may be amended or withdrawn...

*Time limit for claims*

82 (1) A claim for capital allowances may be made, amended...

*Consequential amendment of return for another accounting period*

83 (1) This paragraph applies if the effect of a claim...

83ZA (1) Subject as follows, this Part of this Schedule applies...

Part IXA — CLAIMS FOR R&D EXPENDITURE CREDITS OR R&D TAX RELIEF

*Introduction*

83A This Part of this Schedule applies to—

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*Claim to be included in company tax return*

83B (1) A claim to which this Part of this Schedule...

*Content of claim*

83C A claim to which this Part of this Schedule applies...

*Amendment or withdrawal of claim*

83D A claim to which this Part of this Schedule applies...

*Time limit for claims*

83E (1) Except where sub-paragraph (3) applies, a claim to which...

*Additional information to be provided in relation to claim*

83EA (1) A claim to which this Part of this Schedule...

*Removal from return of claims made in error*

83EB (1) This paragraph applies, in relation to a claim to...

*Penalty*

83F (1) The company is liable to a penalty where it—...  
Part 9B — CLAIMS RELATING TO REMEDIATION OF CONTAMINATED OR  
DERELICT LAND

*Introduction*

83G This Part of this Schedule applies to claims for—

*Claim to be included in company tax return*

83H (1) A claim for a land remediation tax credit or...

*Content of claim*

83I A claim for a land remediation tax credit or a...

*Amendment or withdrawal of claim*

83J A claim for a land remediation tax credit or a...

*Time limit for claims*

83K (1) A claim for a land remediation tax credit or...

*Penalty*

83L (1) The company is liable to a penalty where it—...  
PART 9BA — CLAIMS FOR RELIEF UNDER SCHEDULE 12 TO THE FINANCE ACT  
2002

*Introduction*

83LA This Part of this Schedule applies to claims for relief...



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*Claim to be included in company tax return*

83LB (1) A claim to which this Part of this Schedule...

*Content of claim*

83LC A claim to which this Part of this Schedule applies...

*Amendment or withdrawal of claim*

83LD A claim to which this Part of this Schedule applies...

*Time limit for claims*

83LE (1) A claim to which this Part of this Schedule...  
PART 9C — CLAIMS FOR RELIEF UNDER SCHEDULE 13 TO THE FINANCE ACT  
2002  
.....  
PART 9D — CLAIMS FOR TAX RELIEF UNDER PART 15, 15A, 15B, 15C, 15D  
OR 15E OF THE CORPORATION TAX ACT 2009

*Introduction*

83S This Part of this Schedule applies to claims for the...

*Claim to be included in company tax return*

83T (1) A claim to which this Part of this Schedule...

*Content of claim*

83U A claim to which this Part of this Schedule applies...

*Amendment or withdrawal of claim*

83V A claim to which this Part of this Schedule applies...

*Time limits for claim*

83W (1) A claim to which this part of this Schedule...

*Penalty*

83X (3) The company is liable to a penalty where it—...  
PART 9E — DESIGNATION OF LOSSES AS UNRESTRICTED LOSSES FOR THE  
PURPOSES OF CHAPTER 3 OF PART 7A OF THE CORPORATION  
TAX ACT 2010

*Introduction*

83Y (1) This Part of this Schedule applies to the designation...

*Designation to be made in company tax return*

83YA (1) A designation to which this Part of this Schedule...

*Identification of losses*

83YB Where a company designates any relevant carried-forward loss in a...

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*Amendment or withdrawal of designation*

- 83YC A designation to which this Part of this Schedule applies...  
Part X — SPECIAL PROVISIONS

*Choice between different Cases of Schedule D*

- 84 (1) This paragraph applies where amounts may be brought into...

*Non-annual accounting of general insurance business*

- 85 (1) This paragraph applies where a company carrying on insurance...

*Insurance companies with non-annual actuarial investigations*

- 86 (1) This paragraph applies where a company tax return is...

*Friendly societies with non-annual actuarial investigations*

- 87 (1) This paragraph applies where a company tax return is...  
PART 10A — SES

*Company ceasing to be UK resident on formation of SE by merger*

- 87A (1) Sub-paragraph (2) applies if at any time a company...

*SE ceasing to be UK resident*

- 87B (1) Sub-paragraph (2) applies if at any time an SE—...

*Meaning of SE*

- 87C In this Part “ SE ” means a European public...  
Part XI — SUPPLEMENTARY PROVISIONS

*Conclusiveness of amounts stated in return*

- 88 (1) This paragraph applies to an amount stated in a...

*Security for payments*

- 88A (1) The Commissioners for Her Majesty’s Revenue and Customs may...

*Penalty for fraud or negligence*

- 89 (1) A company which fraudulently or negligently—

*Multiple tax-related penalties in respect of same accounting period*

- 90 (1) This paragraph applies where a company incurs more than...

*UK Economic Interest Groupings and European Economic Interest Groupings*

- 91 An act or omission such as is mentioned in section...

*Notices of appeal*

- 92 (1) This paragraph applies in relation to any appeal under...

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*General jurisdiction of Special or General Commissioners*

93 (1) This paragraph applies in relation to an appeal against—...

*Election to take appeal to Special Commissioners*

94 (1) The appellant may elect (in accordance with section 46(1))...

*Meaning of “the Inland Revenue”*

95 (1) References in this Schedule to “the Inland Revenue...

*The self-assessment appointed day*

96 In this Schedule “the self-assessment appointed day” means the day...

*Construction of references to assessment*

97 Any reference in the Tax Acts (however expressed) to a...

*Meaning of TIOPA 2010*

97A In this Schedule “TIOPA 2010” means the Taxation...

*Index of defined expressions*

98 In this Schedule the expressions listed below are defined or...

SCHEDULE 19 — Company tax returns, etc.: minor and consequential amendments

*Taxes Management Act 1970 (c.9)*

- 1 The following provisions of the Taxes Management Act 1970 shall...
- 2 In section 12(2) of the Taxes Management Act 1970 (information...
- 3 In section 12AA(7) of the Taxes Management Act 1970 (partnership...
- 4 .....
- 5 .....
- 6 In section 12B(1) of the Taxes Management Act 1970 (records...
- 7 In section 19A(1) of the Taxes Management Act 1970 (power...
- 8 .....
- 9 Sections 28AA and 28AB of the Taxes Management Act 1970...
- 10 .....
- 11 Sections 28D, 28E and 28F of the Taxes Management Act...
- 12 (1) Section 29 of the Taxes Management Act 1970 (assessment...
- 13 (1) Section 30 of the Taxes Management Act 1970 (recovery...
- 14 (1) Section 30B of the Taxes Management Act 1970 (amendment...
- 15 (1) Section 33 of the Taxes Management Act 1970 (error...
- 16 (1) Section 33A of the Taxes Management Act 1970 (error...
- 17 In section 34(1) of the Taxes Management Act 1970 (ordinary...
- 18 In section 36(1) of the Taxes Management Act 1970 (fraudulent...
- 19 Sections 41A, 41B and 41C of the Taxes Management Act...
- 20 (1) Section 42 of the Taxes Management Act 1970 (procedure...
- 21 In section 43 of the Taxes Management Act 1970, for...
- 22 (1) Section 43A of the Taxes Management Act 1970 (further...
- 23 In section 46(2) of the Taxes Management Act 1970 (determinations...
- 24 .....
- 25 .....

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- 26 .....
- 27 (1) Section 50 of the Taxes Management Act 1970 (procedure)...
- 28 In section 55(1) of the Taxes Management Act 1970 (recovery)...
- 29 (1) In Part VA of the Taxes Management Act 1970...
- 30 (1) Section 65 of the Taxes Management Act 1970 (recovery)...
- 31 .....
- 32 In section 70(2)(a) of the Taxes Management Act 1970 (certificate)...
- 33 Section 94 of the Taxes Management Act 1970 (penalty for)...
- 34 Section 96 of the Taxes Management Act 1970 (incorrect return)...
- 35 In section 97 of the Taxes Management Act 1970 (incorrect)...
- 36 In section 97AA(1) of the Taxes Management Act 1970 (penalty)...
- 37 In section 97A of the Taxes Management Act 1970 (two)...
- 38 In section 100(6)(a) of the Taxes Management Act 1970  
(determination)...
- 39 For section 101 of the Taxes Management Act 1970 (evidence)...
- 40 In section 103A of the Taxes Management Act 1970 (interest)...
- 41 In section 113(1B) of the Taxes Management Act 1970 (Revenue)...
- 42 (1) Schedule 1A to the Taxes Management Act 1970 (claims)...
- 43 (1) Schedule 3A to the Taxes Management Act 1970 (electronic)...

*Income and Corporation Taxes Act 1988 (c.1)*

- 44 (1) Section 246Q of the Taxes Act 1988 (repayment or)...
- 45 (1) Section 246U of the Taxes Act 1988 (repayments treated)...
- 46 For section 412 of the Taxes Act 1988 (group relief)...
- 47 (1) Section 419 of the Taxes Act 1988 (tax on)...
- 48 (1) Section 488 of the Taxes Act 1988 (co-operative housing)...
- 49 In section 489 of the Taxes Act 1988 (self-build societies)...
- 50 (1) Schedule 13A to the Taxes Act 1988 (surrenders of)...
- 51 .....

SCHEDULE 20 — Application of taper relief

SCHEDULE 21 — Amendments in connection with taper relief

*Introductory*

- 1 The Taxation of Chargeable Gains Act 1992 shall be amended...

*Gains of trustees attributed to settlor*

- 2 In section 2 (persons and gains chargeable to capital gains)...

*Annual exempt amount*

- 3 For subsection (5) of section 3 (definition of taxable amount)...

*Gains attributed to members of non-resident companies*

- 4 In section 13 (gains attributed to members of non-resident companies)...

*Carry back of losses on death*

- 5 In section 62 (general provisions about death), the following subsections...

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*Gains attributed to settlors and beneficiaries*

- 6 (1) In section 77 (attribution of gains to settlor with...

*Gains on assets deriving from reorganisation of body carrying on a mutual business etc.*

- 7 In Chapter IV of Part VI (special cases), before section...

*Commercial letting of furnished holiday dwellings*

- 8 In section 241(3) (provisions for the purposes of which letting...

*Delayed remittances in respect of foreign assets*

- 9 In section 279(2)(a) (deductions in respect of unremitted gains), after...

SCHEDULE 22 — Transitional provision and consequential amendments for section 131

*Introductory*

- 1 The Taxation of Chargeable Gains Act 1992 shall be amended...

*Transitional for settlements created before 17th March 1998*

- 2 (1) In the words at the end of sub-paragraph (1)...

*Consequential amendments of paragraphs 4 and 5 of Schedule 5 to the 1992 Act*

- 3 (1) In paragraphs 4(1)(a) and 5(1)(a) of Schedule 5 (disapplication...

*Consequential amendment of paragraph 9 of Schedule 5 to the 1992 Act*

- 4 (1) In sub-paragraph (7) of paragraph 9 of Schedule 5...

*Consequential amendment of Schedule 5A*

- 5 (1) In paragraph 2(1) of Schedule 5A (returns in relation...

SCHEDULE 23 — Transitional provision in connection with section 132

*Pre-6th April 1999 gains and losses of settlements that become qualifying*

- 1 (1) This paragraph applies to a settlement in the case...

*Pre-6th April 1999 gains and losses where there is a transfer to another settlement*

- 2 (1) This paragraph applies, subject to sub-paragraph (5) below, to...

*Pre-6th April 1999 gains and losses where there is a transfer to a foreign institution*

- 3 (1) This paragraph applies, subject to sub-paragraphs (4) and (6)...

*Rule to prevent a double charge*

- 4 (1) This paragraph applies, in the case of a person...

- 5 (1) Where in the case of any settlement there is...

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*Interpretation of Schedule*

6 (1) In this Schedule— “the 1992 Act” means the Taxation...

SCHEDULE 24 — Restrictions on setting losses against pre-entry gains

SCHEDULE 25 — Property of historic interest etc

*Meaning of “the 1984 Act”*

1 In this Schedule “the 1984 Act” means the Inheritance Tax...

*Claims for designation*

2 (1) In section 30 of the 1984 Act (conditionally exempt...

3 (1) In section 78 of the 1984 Act (conditionally exempt...

*Property capable of designation*

4 (1) In section 31 of the 1984 Act, in subsection...

*Access to designated property*

5 (1) In section 31 of the 1984 Act (designation of...

*Publication of information about designated property*

6 (1) In section 31 of the 1984 Act (designation of...

*Undertakings on death, disposal of property, etc.*

7 (1) In section 32 of the 1984 Act (chargeable events...

*Variation of undertakings*

8 (1) After section 35 of the 1984 Act there shall...

9 (1) In section 258 of the Taxation of Chargeable Gains...

10 (1) Section 35A of the 1984 Act applies in relation...

SCHEDULE 26 — National loans

*Amendment of National Loans Act 1968 (c.13)*

1 (1) The National Loans Act 1968 shall be amended as...

*Amendment of Finance Act 1993 (c.34)*

2 Section 211 of the Finance Act 1993 (National Debt Commissioners:...

*Commencement*

3 (1) The amendments made by this Schedule shall have effect...

SCHEDULE 27 — Repeals

Part I — EXCISE DUTIES

**Changes to legislation:** Finance Act 1998 is up to date with all changes known to be in force on or before 25 October 2023. There are changes that may be brought into force at a future 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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(1)

DRAWBACK OF DUTY ON BEER

(2)

HYDROCARBON OIL DUTY

(3)

VEHICLE EXCISE DUTY: RATES WHERE POLLUTION REDUCED

(4)

VEHICLE EXCISE AND REGISTRATION: NIL LICENCES

(5)

ASSESSMENTS FOR EXCISE DUTY PURPOSES

Part II — VALUE ADDED TAX

Part III — INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

(1)

RELIEF FOR QUALIFYING MAINTENANCE PAYMENTS

(2)

ADVANCE CORPORATION TAX

(3)

INTEREST ON GILT-EDGED SECURITIES

(4)

RENTS AND OTHER RECEIPTS FROM LAND

(5)

LAND MANAGED AS ONE ESTATE ETC.

(6)

COMPUTATION OF PROFITS OF TRADE, PROFESSION OR VOCATION

(7)

CONSTRUCTION WORKERS SUPPLIED BY AGENCIES

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**(8)**

SUB-CONTRACTORS IN THE CONSTRUCTION INDUSTRY

**(9)**

PAYMENTS AND OTHER BENEFITS IN CONNECTION WITH TERMINATION OF EMPLOYMENT ETC.

**(10)**

TRAVELLING EXPENSES

**(11)**

FOREIGN EARNINGS DEDUCTION

**(12)**

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**(13)**

THE ENTERPRISE INVESTMENT SCHEME AND VENTURE CAPITAL TRUSTS

**(14)**

OTHER CHANGES TO EIS ETC.

**(15)**

INDIVIDUAL SAVINGS ACCOUNTS

**(16)**

RELIEF FOR LOSSES ON UNLISTED SHARES IN TRADING COMPANIES

**(17)**

CARRY FORWARD OF NON-TRADING DEFICIT ON LOAN RELATIONSHIPS

**(18)**

CAPITAL ALLOWANCES

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LIFE POLICIES, LIFE ANNUITIES AND CAPITAL REDEMPTION POLICIES

**(20)**

RETIREMENT BENEFIT SCHEMES



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(21)

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(24)

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(25)

TRANSFER PRICING ETC

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(29)

CHARGEABLE GAINS: APPLICABLE RATE

(30)

CHARGEABLE GAINS: OFFSHORE SETTLEMENTS

(31)

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(32)

ABOLITION OF CERTAIN CGT RELIEFS

Part IV — INHERITANCE TAX

Part V — OTHER TAXES

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**(1)**

INSURANCE PREMIUM TAX

**(2)**

STAMP DUTY

**(3)**

ABOLITION OF GAS LEVY

**(4)**

DUMPING AND SUBSIDIES

Part VI — MISCELLANEOUS

**(1)**

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**(2)**

SECURITIES

**Changes to legislation:**

Finance Act 1998 is up to date with all changes known to be in force on or before 25 October 2023. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to :**

- s. 106(4)-(9) repealed by [2013 c. 2 Sch. 1 Pt. 10](#) Group 1 (This amendment not applied to legislation.gov.uk. S. 106 already repealed (1.4.2010) by 2010 c. 8, s. 381(1), Sch. 10 Pt. 1)
- Sch. 18 para. 56 applied by 1988 c. 1 s. 339(3B)(b) (as inserted) by [S.I. 2010/157 art. 5\(1\)](#) (This amendment not applied to legislation.gov.uk. ICTA 1988 (c. 1), s. 339 is repealed on 1.4.2010)
- Sch. 18 para. 62 applied by 1988 c. 1 s. 339(3B)(b) (as inserted) by [S.I. 2010/157 art. 5\(1\)](#) (This amendment not applied to legislation.gov.uk. ICTA 1988 (c. 1), s. 339 is repealed on 1.4.2010)
- Sch. 18 para. 74 applied by 2010 c. 4, s. 329I(7) (as inserted) by [2014 c. 26 Sch. 14 para. 1](#) (This amendment not applied to legislation.gov.uk. The affecting Sch. 14 is repealed (with effect in accordance with Sch. 11 para. 14 of the amending Act) by Finance Act 2015 (c. 11), Sch. 11 para. 13(2))
- Sch. 18 para. 74 applied by 2010 c. 4, s. 329N(3) (as inserted) by [2014 c. 26 Sch. 14 para. 1](#) (This amendment not applied to legislation.gov.uk. The affecting Sch. 14 is repealed (with effect in accordance with Sch. 11 para. 14 of the amending Act) by Finance Act 2015 (c. 11), Sch. 11 para. 13(2))
- Sch. 18 para. 93(1)(b) word substituted by [2008 c. 9 s. 119\(11\)](#) (This amendment not applied to legislation.gov.uk. Sch. 18 para. 93 already 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. 267)
- Sch. 18 para. 27(5)(b) word substituted by [S.I. 2009/56 Sch. 1 para. 254](#) (This amendment not applied to legislation.gov.uk. Sch. 18 para. 27 omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 88 (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with arts. 7, 8))
- Sch. 18 para. 28(5)(6) word substituted by [S.I. 2009/56 Sch. 1 para. 255\(4\)](#) (This amendment not applied to legislation.gov.uk. Sch. 18 para. 28 omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 88 (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with arts. 7, 8))
- Sch. 18 para. 83F(1)(a) words inserted by [2009 c. 4 Sch. 1 para. 454\(8\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Sch. 18 para. 83F omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 122(2), Sch. 40 para. 21(f); S.I. 2009/571, art. 2)
- Sch. 18 para. 83F(1)(b) words inserted by [2009 c. 4 Sch. 1 para. 454\(8\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Sch. 18 para. 83F omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 122(2), Sch. 40 para. 21(f); S.I. 2009/571, art. 2)
- Sch. 18 para. 28(3) words omitted by [S.I. 2009/56 Sch. 1 para. 255\(2\)](#) (This amendment not applied to legislation.gov.uk. Sch. 18 para. 28 omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 88 (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with arts. 7, 8))
- Sch. 18 para. 28(4) words omitted by [S.I. 2009/56 Sch. 1 para. 255\(3\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Sch. 18 para. 28 omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 88 (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with arts. 7, 8))
- Sch. 18 para. 51(1)(c) words substituted by [2008 c. 9 Sch. 39 para. 43](#) (This amendment not applied to legislation.gov.uk. Sch. 18 paras. 51-51G and cross-headings already substituted for Sch. 18 para. 51 (with effect in accordance with s. 100(2) of the amending Act) by Finance Act 2009 (c. 10), Sch. 52 para. 13)

- Sch. 18 para. 2(4) words substituted by [2010 c. 4 Sch. 1 para. 297\(3\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Sch. 18 para. 2(4) already omitted omitted (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(j); S.I. 2009/511, art. 2 (with art. 4))
- Sch. 18 para. 2(4) words substituted by [2010 c. 4 Sch. 1 para. 297\(3\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Sch. 18 para. 2(4) already omitted omitted (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(j); S.I. 2009/511, art. 2 (with art. 4))
- Sch. 18 para. 28(4) words substituted by [S.I. 2009/56 Sch. 1 para. 255\(3\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Sch. 18 para. 28 omitted (1.4.2009) by virtue of Finance Act 2008 (c. 9), s. 113(2), Sch. 36 para. 88 (with Sch. 36 para. 38); S.I. 2009/404, art. 2 (with arts. 7, 8))
- Sch. 19 para. 43 repealed by [1999 c. 16 s. 139 Sch. 20 Pt. 7](#) Notes 1 2

**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):

- Sch. 18 Pt. 9C repealed by [2009 c. 4 Sch. 1 para. 454\(11\) Sch. 3 Pt. 1](#) (This amendment not applied to legislation.gov.uk. Sch. 18 Pt. 9C repealed (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. 454(11), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2))
- Sch. 18 Pt. 9C title substituted by [2006 c. 25 Sch. 3 para. 9](#) (This amendment not applied to legislation.gov.uk. Sch. 18 Pt. 9C repealed (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. 454(11), Sch. 3 Pt. 1 (with Sch. 2 Pts. 1, 2))