

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

SCHEDULES

SCHEDULE 1

Section 9.

RATES OF VEHICLE EXCISE DUTY FOR GOODS VEHICLES ETC

- 1 Schedule 1 to the ^{M1}Vehicle Excise and Registration Act 1994 (annual rates of vehicle excise duty) shall be amended as follows.

Marginal Citations

M1 1994 c.22.

- 2 (1) In sub-paragraph (2A)(b) of paragraph 6 (vehicles which are used for exceptional loads and satisfy the reduced pollution requirements), for “£4,670” there shall be substituted “ £4,170 ”.
- (2) In sub-paragraph (3) of that paragraph (weight by reference to which vehicles classified as vehicles used for exceptional loads), for “38,000 kilograms” there shall be substituted “ 41,000 kilograms ”.
- 3 For the Table in paragraph 9(1) (rigid goods vehicles not satisfying reduced pollution requirements and with a revenue weight exceeding 3,500 kilograms but not exceeding 44,000 kilograms) there shall be substituted—

Revenue weight of vehicle		Rate		
(1) Exceeding	(2) Not Exceeding	(3) Two axle vehicle	(4) Three axle vehicle	(5) Four or more axle vehicle
kgs	kgs	£	£	£
3,500	7,500	160	160	160
7,500	12,000	300	300	300
12,000	13,000	470	490	350
13,000	14,000	650	490	350
14,000	15,000	840	490	350
15,000	17,000	1,320	490	350
17,000	19,000	1,600	850	350
19,000	21,000	1,600	1,020	350
21,000	23,000	1,600	1,470	510
23,000	25,000	1,600	2,230	830
25,000	27,000	1,600	2,340	1,470

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

		trailer axles	trailer axles	trailer axles	trailer axles	trailer axles	trailer axles
kgs	kgs	£	£	£	£	£	£
3,500	7,500	160	160	160	160	160	160
7,500	12,000	300	300	300	300	300	300
12,000	16,000	460	460	460	460	460	460
16,000	20,000	520	460	460	460	460	460
20,000	23,000	810	460	460	460	460	460
23,000	26,000	1,190	590	460	590	460	460
26,000	28,000	1,190	1,130	460	1,130	460	460
28,000	31,000	1,740	1,740	1,090	1,740	660	460
31,000	33,000	2,530	2,530	1,740	2,530	1,000	460
33,000	34,000	5,170	5,170	1,740	2,530	1,470	570
34,000	35,000	5,170	5,170	2,840	2,530	2,100	860
35,000	36,000	6,750	6,750	2,840	2,530	2,100	860
36,000	38,000	9,250	9,250	3,210	2,820	2,820	1,280
38,000	41,000	9,250	9,250	5,750	4,250	4,250	2,500
41,000	44,000	9,250	9,250	5,750	7,250	7,250	1,280”

7 In paragraph 11A(3) (tractive units satisfying reduced pollution requirements and with a revenue weight exceeding 44,000 kilograms), for “£4,670” there shall be substituted “ £4,170 ”.

8 For the Table in paragraph 11B (tractive units satisfying reduced pollution requirements and with a revenue weight exceeding 3,500 kilograms but not exceeding 44,000 kilograms) there shall be substituted—

“Revenue weight of tractive unit		Rate for tractive unit with two axles			Rate for tractive unit with three or more axles		
(1) Exceeding	(2) Not exceeding	(3) Any no. of semi- trailer axles	(4) 2 or more semi- trailer axles	(5) 3 or more semi- trailer axles	(6) Any no. of semi- trailer axles	(7) 2 or more semi- trailer axles	(8) 3 or more semi- trailer axles
kgs	kgs	£	£	£	£	£	£
3,500	7,500	155	155	155	155	155	155
7,500	12,000	155	155	155	155	155	155
12,000	16,000	155	155	155	155	155	155
16,000	20,000	155	155	155	155	155	155
20,000	23,000	155	155	155	155	155	155

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

23,000	26,000	190	155	155	155	155	155
26,000	28,000	190	155	155	155	155	155
28,000	31,000	740	740	155	740	155	155
31,000	33,000	1,530	1,530	740	1,530	155	155
33,000	34,000	4,170	4,170	740	1,530	470	155
34,000	35,000	4,170	4,170	1,840	1,530	1,100	155
35,000	36,000	5,750	5,750	1,840	1,530	1,100	155
36,000	38,000	8,250	8,250	2,210	1,820	1,820	280
38,000	41,000	8,250	8,250	4,750	3,250	3,250	1,500
41,000	44,000	8,250	8,250	4,750	6,250	6,250	280 ⁹

- 9 (1) Subject to the following provisions of this paragraph, the preceding provisions of this Schedule apply in relation to licences taken out after 9th March 1999.
- (2) Sub-paragraph (3) below applies where—
- (a) a pre-commencement licence was taken out for a goods vehicle at a rate applicable to a vehicle with a revenue weight falling within a specified range of weights; and
 - (b) the revenue weight of the vehicle at any time on or after 17th April 1999 (though still within the specified range of weights mentioned in paragraph (a) above) is or has been one which, for the purposes of taking out a licence for that vehicle after 9th March 1999, would fall in a range of weights attracting a rate of duty higher than that attracted by the vehicle's licensed weight.
- (3) For the purposes of section 15 of the ^{M2}Vehicle Excise and Registration Act 1994 (vehicles becoming chargeable at a higher rate) any use of the vehicle on a public road at a time on or after 17th April 1999 when its revenue weight is or was within sub-paragraph (2)(b) above shall be treated as a use of the vehicle so as to subject it to a rate of duty higher than that at which the pre-commencement licence was taken out.
- (4) Sub-paragraph (5) below applies where—
- (a) a pre-commencement licence was taken out for a goods vehicle at a rate applicable to a vehicle with a revenue weight falling within a specified range of weights;
 - (b) the revenue weight of the vehicle is or has been increased at a time after 9th March 1999; and
 - (c) the revenue weight of the vehicle immediately after the increase (though still within the specified range of weights mentioned in paragraph (a) above) is or was one which, for the purposes of taking out a licence for that vehicle after 9th March 1999, would fall in a range of weights attracting a rate of duty higher than that attracted by the vehicle's licensed weight.
- (5) For the purposes of section 15 of the ^{M3}Vehicle Excise and Registration Act 1994 (vehicles becoming chargeable at a higher rate) any use of the vehicle on a public road after the increase in its revenue weight shall be treated (if it would not otherwise be so treated by virtue of sub-paragraph (3) above) as a use of the vehicle so as to subject it to a rate of duty higher than that at which the pre-commencement licence was taken out.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

(6) In this paragraph—

“licensed weight”, in relation to a vehicle, means the revenue weight of the vehicle at the time when the pre-commencement licence for that vehicle was taken out; and

“pre-commencement licence” means a licence taken out on or before 9th March 1999 and in force after that date.

Marginal Citations

M2 1994 c.22.

M3 1994 c.22.

SCHEDULE 2

Section 16.

VAT: GROUPS OF COMPANIES

Amendment of Value Added Tax Act 1994

- 1 (1) Section 43 of the ^{M4}Value Added Tax Act 1994 (groups of companies) shall be amended as follows.
- (2) In subsection (1), for the words “the following provisions of this section” there shall be substituted the words “ sections 43A to 43C ”.
- (3) Subsections (3) to (8) shall cease to have effect.

Marginal Citations

M4 1994 c.23.

- 2 The following shall be inserted after section 43 of the Value Added Tax Act 1994—

“43A Groups: eligibility.

- (1) Two or more bodies corporate are eligible to be treated as members of a group if each is established or has a fixed establishment in the United Kingdom 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.
- (2) 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 body’s holding company within the meaning of section 736 of the ^{M5}Companies Act 1985.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (3) For the purposes of this section 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 that section.

43B Groups: applications.

- (1) This section applies where an application is made to the Commissioners for two or more bodies corporate, which are eligible under section 43A(1), to be treated as members of a group.
- (2) This section also applies where two or more bodies corporate are treated as members of a group and an application is made to the Commissioners—
- (a) for another body corporate, which is eligible under section 43A(1) to be treated as a member of the group, to be treated as a member of the group,
 - (b) for a body corporate to cease to be treated as a member of the group,
 - (c) for a member to be substituted as the group's representative member, or
 - (d) for the bodies corporate no longer to be treated as members of a group.
- (3) An application with respect to any bodies corporate—
- (a) must be made by one of them or by the person controlling them, and
 - (b) in the case of an application for the bodies to be treated as a group, must appoint one of them as the representative member.
- (4) Where this section applies in relation to an application it shall, subject to subsection (6) below, be taken to be granted with effect from—
- (a) the day on which the application is received by the Commissioners, or
 - (b) such earlier or later time as the Commissioners may allow.
- (5) The Commissioners may refuse an application, within the period of 90 days starting with the day on which it was received by them, if it appears to them—
- (a) in the case of an application such as is mentioned in subsection (1) above, that the bodies corporate are not eligible under section 43A(1) to be treated as members of a group,
 - (b) in the case of an application such as is mentioned in subsection (2)(a) above, that the body corporate is not eligible under section 43A(1) to be treated as a member of the group, or
 - (c) in any case, that refusal of the application is necessary for the protection of the revenue.
- (6) If the Commissioners refuse an application it shall be taken never to have been granted.

43C Groups: termination of membership.

- (1) The Commissioners may, by notice given to a body corporate, terminate its treatment as a member of a group from a date—
- (a) which is specified in the notice, and
 - (b) which is, or falls after, the date on which the notice is given.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (2) The Commissioners may give a notice under subsection (1) above only if it appears to them to be necessary for the protection of the revenue.
- (3) Where—
 - (a) a body is treated as a member of a group, and
 - (b) it appears to the Commissioners that the body is not, or is no longer, eligible under section 43A(1) to be treated as a member of the group, the Commissioners shall, by notice given to the body, terminate its treatment as a member of the group from a date specified in the notice.
- (4) The date specified in a notice under subsection (3) above may be earlier than the date on which the notice is given but shall not be earlier than—
 - (a) the first date on which, in the opinion of the Commissioners, the body was not eligible to be treated as a member of the group, or
 - (b) the date on which, in the opinion of the Commissioners, the body ceased to be eligible to be treated as a member of the group.”

Marginal Citations

M5 1985 c.6.

- 3 For section 83(k) of the ^{M6}Value Added Tax Act 1994 (appeals) there shall be substituted—
- “(k) the refusal of an application such as is mentioned in section 43B(1) or (2);
 - (ka) the giving of a notice under section 43C(1) or (3);”.

Marginal Citations

M6 1994 c.23.

- 4 After section 84(4) of the Value Added Tax Act 1994 (appeals: supplementary) there shall be inserted—
- “(4A) Where an appeal is brought against the refusal of an application such as is mentioned in section 43B(1) or (2) on the grounds stated in section 43B(5) (c)—
 - (a) the tribunal shall not allow the appeal unless it considers that the Commissioners could not reasonably have been satisfied that there were grounds for refusing the application,
 - (b) the refusal shall have effect pending the determination of the appeal, and
 - (c) if the appeal is allowed, the refusal shall be deemed not to have occurred.
 - (4B) Where an appeal is brought against the giving of a notice under section 43C(1) or (3)—
 - (a) the notice shall have effect pending the determination of the appeal, and
 - (b) if the appeal is allowed, the notice shall be deemed never to have had effect.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

(4C) Where an appeal is brought against the giving of a notice under section 43C(1), the tribunal shall not allow the appeal unless it considers that the Commissioners could not reasonably have been satisfied that there were grounds for giving the notice.

(4D) Where—

- (a) an appeal is brought against the giving of a notice under section 43C(3), and
- (b) the grounds of appeal relate wholly or partly to the date specified in the notice,

the tribunal shall not allow the appeal in respect of the date unless it considers that the Commissioners could not reasonably have been satisfied that it was appropriate.”

5 (1) Schedule 9A to the Value Added Tax Act 1994 (groups: anti-avoidance) shall be amended as follows.

(2) At the end of paragraph 2 (which becomes sub-paragraph (1) of that paragraph) there shall be inserted—

“(2) This paragraph shall not apply where the relevant event is the termination of a body corporate’s treatment as a member of a group by a notice under section 43C(1) or (3).”

(3) In paragraph 3(8), for the words “under section 43” there shall be substituted “ such as is mentioned in section 43B ”.

(4) In paragraph 7(1), for the words “section 43” there shall be substituted “ sections 43 to 43C ”.

Transitional provisions

6 (1) In this paragraph—

“the old law” means sections 43, 83 and 84 of, and Schedule 9A to, the ^{M7}Value Added Tax Act 1994 as they have effect without the amendments in paragraphs 1 to 5 of this Schedule, and

“the new law” means sections 43 to 43C, 83 and 84 of, and Schedule 9A to, that Act as they have effect by virtue of paragraphs 1 to 5 of this Schedule.

(2) Where, immediately before this Schedule comes into force, two or more bodies corporate are treated as members of a group by virtue of the old law—

- (a) they shall continue to be treated as members of a group, and
- (b) in their treatment as members of a group after this Schedule comes into force, they shall be treated as if any application under the old law by virtue of which they are treated as members of a group had been an equivalent application under the new law.

(3) Where an application under section 43 of the Value Added Tax Act 1994 is received by the Commissioners, and has neither taken effect nor been refused before the day on which this Act is passed, the old law shall apply to determine whether the application is to take effect; but where it is determined under this sub-paragraph that an application is to take effect—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (a) it shall be treated as if it were an equivalent application under the new law, and
 - (b) it shall be taken to have been granted under the new law at the time when it would have taken effect in accordance with the old law.
- (4) In a case to which sub-paragraph (2) or (3) above applies, the power under section 43C(3) shall not be used to terminate the treatment of a body corporate as a member of a group—
- (a) on the ground that the body corporate is not established, and does not have a fixed establishment, in the United Kingdom, and
 - (b) from a date before 1st January 2000.
- (5) Where an application which purports to be an application under the old law is received by the Commissioners after the day on which this Act is passed—
- (a) it shall be treated as if it were an application under the new law, and
 - (b) section 43B of the new law shall apply notwithstanding any provision in the application for a date from which it is to take effect.

Marginal Citations

M7 1994 c.23.

SCHEDULE 3

Section 30.

NEW SCHEDULE 13B TO THE TAXES ACT 1988

The Schedule inserted after Schedule 13A to the Taxes Act 1988 is as follows—

“SCHEDULE 13B

CHILDREN’S TAX CREDIT

Child living with more than one adult: married and unmarried couples

- 1 (1) Paragraphs 2 to 5 below apply where at any time in a year of assessment—
- (a) a husband and wife are living together or a man and a woman are living together as husband and wife, and
 - (b) a relevant child is resident with them.
- (2) In those paragraphs—
- (a) the husband and wife, or the man and the woman, are referred to as the partners,
 - (b) “the higher-earning partner” means the partner who has the higher total income for the year of assessment,
 - (c) “the lower-earning partner” means the partner who has the lower total income for the year of assessment, and
 - (d) “relevant child” means a child who is a qualifying child in relation to both partners.
- (3) If the partners have the same total income for the year—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (a) they may elect that one of them be treated for the purposes of paragraphs 2 to 5 below as the lower-earning partner, and
 - (b) if they do not make an election, neither shall be entitled to a children's tax credit for the year in respect of a relevant child.
- 2 Subject to paragraph 3 below, the lower-earning partner shall not be entitled to a children's tax credit for the year in respect of a relevant child.
- 3 (1) This paragraph applies if no part of either partner's income for the year falls within section 1(2)(b).
- (2) If the lower-earning partner makes a claim for a children's tax credit for the year in respect of a relevant child—
- (a) paragraph 2 above shall not apply, and
 - (b) in calculating the credit for each partner, the amount mentioned in section 257AA(2) shall be halved.
- (3) If the partners make an election under this sub-paragraph—
- (a) paragraph 2 above shall not apply, and
 - (b) the higher-earning partner shall not be entitled to a children's tax credit for the year in respect of a relevant child.
- 4 (1) This paragraph applies where—
- (a) a partner is entitled to a children's tax credit for a year of assessment,
 - (b) the amount by reference to which his credit falls to be calculated (Amount A) exceeds the amount which would be necessary, in accordance with section 256(2), to reduce his liability for the year to income tax on his total income to nil (Amount B), and
 - (c) he gives notice to an officer of the Board under this paragraph.
- (2) Where the other partner would not, by virtue of paragraph 2 or 3 above, be entitled to a children's tax credit for the year in respect of a relevant child—
- (a) he shall be entitled to a children's tax credit in respect of a relevant child notwithstanding that paragraph, and
 - (b) the amount by reference to which his credit shall be calculated shall be the amount of the difference between Amount A and Amount B.
- (3) In any other case, the difference between Amount A and Amount B shall be added to the amount by reference to which children's tax credit would otherwise be calculated for the other partner in respect of a relevant child.
- (4) A notice under this paragraph—
- (a) must be given on or before the fifth anniversary of the 31st January next following the end of the year of assessment to which it relates,
 - (b) shall be in such form as the Board may determine, and
 - (c) shall be irrevocable.
- 5 (1) This paragraph applies to elections under paragraph 3 above.
- (2) An election—
- (a) shall be made by giving notice to an officer of the Board in such form as the Board may determine, and
 - (b) may be made so as to have effect for a single year of assessment or for two or more consecutive years.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (3) Subject to sub-paragraph (4) below, an election must be made before the first year of assessment for which it is to have effect and on the basis of assumptions about the partners' incomes for that year.
- (4) An election may be made, on the basis of such assumptions, at a time during the first year for which it is to have effect if—
 - (a) the election is made within the first 30 days of that year and an officer of the Board has been given written notification before that year that the election will be made, or
 - (b) the partners marry in that year, or
 - (c) the partners start to live together as man and wife in that year, or
 - (d) a relevant child becomes resident with the partners in that year and no relevant child has previously in that year been resident with the partners, or
 - (e) it is assumed that the partner who was the higher-earning partner in the previous year will be the lower-earning partner in that year.
- (5) An election may be withdrawn—
 - (a) by the making of another election which supersedes the first, or
 - (b) by notice given to an officer of the Board, in such form as the Board may determine, by either partner.
- (6) A withdrawal shall have effect for the year of assessment in which it is given and subsequent years.
- (7) If the higher-earning partner for one year of assessment (Year 1) is the lower-earning partner for the next year (Year 2), an election having effect for Year 1 shall not have effect for Year 2 or subsequent years.

Child living with more than one adult: other cases

- 6 (1) This paragraph applies to a child for a year of assessment if—
 - (a) he is resident with two or more persons at the same time or at different times during the year,
 - (b) he is a qualifying child in relation to two or more of those persons, and
 - (c) paragraphs 2 to 5 above do not apply in relation to him in that year.
- (2) The persons in relation to whom the child is a qualifying child are referred to in this paragraph as the taxpayers.
- (3) None of the taxpayers shall be entitled to a children's tax credit for the year of assessment by virtue of the residence of any child to whom this paragraph applies except in accordance with the following provisions of this paragraph.
- (4) If a taxpayer claims a children's tax credit for the year of assessment by virtue of the residence of any child to whom this paragraph applies, for the amount mentioned in section 257AA(2) (before any reduction) there shall be substituted his allotted proportion of that amount.
- (5) A taxpayer's allotted proportion is—
 - (a) such proportion as may be agreed between him and the other taxpayers, or
 - (b) in default of agreement, a proportion which is assigned to him by the Commissioners.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (6) For the purposes of sub-paragraph (5) above—
- (a) a proportion may be 100 per cent.,
 - (b) the sum of the proportions shall not exceed 100 per cent., and
 - (c) “the Commissioners” means such body of General Commissioners, being the General Commissioners for a division in which one of the taxpayers resides, as the Board may direct or, if none of the taxpayers resides in the United Kingdom, the Special Commissioners.
- (7) Where a person—
- (a) is a member of more than one set of taxpayers in relation to whom this paragraph applies for a year of assessment,
 - (b) has more than one allotted proportion under this paragraph for the year, and
 - (c) claims a children’s tax credit for the year,
- for the amount mentioned in section 257AA(2) (before any reduction) there shall be substituted the aggregate of his allotted proportions of that amount (not exceeding 100 per cent.).
- (8) Where—
- (a) a taxpayer makes a claim under section 257AA, and
 - (b) it appears that an allotted proportion will need to be assigned to him under sub-paragraph (5)(b) above for that purpose,
- the Board may direct that the claim shall be dealt with, and the assignment shall be made, by a specified body of Commissioners which could be directed under sub-paragraph (6) (c) above to make the assignment; and where a direction is given no other body of Commissioners shall have jurisdiction to determine the claim.
- (9) For the purposes of any assignment to a taxpayer under sub-paragraph (5)(b) above—
- (a) the Commissioners shall hear and determine the case in the same manner as an appeal, and
 - (b) any of the taxpayers shall be entitled to appear and be heard by the Commissioners or to make representations to them in writing.

Combined cases

- 7 (1) This paragraph applies where a child is a relevant child for the purposes of paragraphs 2 to 5 above in a year of assessment and—
- (a) he is a relevant child for the year in relation to more than one pair of partners, or
 - (b) paragraph 6 above would apply to him for the year but for the fact that he is a relevant child for the purposes of paragraphs 2 to 5 above.
- (2) Where this paragraph applies—
- (a) paragraph 6 above shall apply, but with each pair of partners for the purposes of paragraphs 2 to 5 above being treated as a single taxpayer, and
 - (b) paragraphs 2 to 5 above shall apply in relation to each pair of partners, taking for the amount mentioned in section 257AA(2) (before any reduction) the amount substituted by virtue of paragraph 6 above.

Change of circumstances

- 8 (1) For the purposes of this paragraph a change of circumstances occurs in relation to a child in a year of assessment if a relevant event takes place in that year and—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (a) as a result of the event the child becomes a qualifying child in relation to any person or stops being a qualifying child in relation to any person, or
 - (b) the child is, immediately before the event, a qualifying child in relation to both parties to the event.
- (2) The following are relevant events—
- (a) a marriage or a man and a woman starting to live together as husband and wife;
 - (b) a separation.
- (3) A separation occurs when—
- (a) a husband and wife cease to live together, or
 - (b) a man and a woman cease to live together as husband and wife, having been living together as husband and wife without being married.
- (4) In a year of assessment in which a change of circumstances (or more than one) occurs in relation to a child, section 257AA and paragraphs 2 to 7 above shall apply in relation to the child's residence as if each of the following were a separate year of assessment—
- (a) the period ending with the day before the first (or only) change of circumstances,
 - (b) the period starting with the day of the last (or only) change of circumstances, and
 - (c) any period starting with the day of one change of circumstances and ending with the day before the next.
- (5) For the purposes of sub-paragraph (4) above the amount specified in section 257AA(2) (before any reduction or substitution) shall be taken to be the result of the following formula—

$$\frac{\text{Days during the period}}{365} \times \text{Amount in s.257AA(2)}$$

- (6) In applying sub-paragraph (4) above a reference in section 257AA or this Schedule to a person's income for the year shall be taken as a reference to his income for the year and not his income for the period.”

SCHEDULE 4

Section 38.

WITHDRAWAL OF RELIEF FOR INTEREST ON LOANS TO BUY LAND ETC.

Amendments of Part IX of the Taxes Act 1988

- 1 (1) Section 353 of the Taxes Act 1988 (general provision for relief for interest payments) is amended as follows.
- (2) In subsection (1), for “sections 354”, in each place, substitute “ sections 359 ”.
 - (3) In subsections (1A) and (1B), omit the words “354 or”.
 - (4) For subsection (1G) substitute—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- “(1G) In subsection (1F) above “the applicable percentage” means the percentage which is the basic rate for the year of assessment in question.”
- 2 Sections 354 to 358 of the Taxes Act 1988 (loans to buy land etc.) shall cease to have effect.
- 3 (1) Section 367 of the Taxes Act 1988 (supplementary provisions) is amended as follows.
- (2) Omit subsection (1) and, in subsection (2), the words “354(1) and”.
- (3) In subsections (3) and (4), for “sections 354”, in each place, substitute “ sections 359 ”.
- (4) In subsection (5), for “sections 356A to 357 and” substitute “ section ”.
- 4 In section 369 of the Taxes Act 1988 (mortgage interest payable under deduction of tax), for subsection (1A) substitute—
- “(1A) In subsection (1) above “the applicable percentage” means the percentage which is the basic rate for the year of assessment in which the payment has become or becomes due.”
- 5 (1) Section 370 of the Taxes Act 1988 (meaning of “relevant loan interest”) is amended as follows.
- (2) In subsection (1)—
- (a) for “sections 372” substitute “ sections 373 ”; and
- (b) omit the words “or (3)”.
- (3) In subsection (2), omit the words “354(1) or”, “356A, 357 or”, and paragraph (c) and the word “and” immediately before it.
- (4) Omit subsections (3), (4), (6) and (7).
- (5) In subsection (5), for the words from “sections” to “each” substitute “ section 365 shall ”.
- 6 Section 372 of the Taxes Act 1988 (home improvement loans) shall cease to have effect.
- 7 (1) Section 373 of the Taxes Act 1988 (loans in excess of the qualifying maximum, and joint borrowers) is amended as follows.
- (2) Omit—
- (a) in subsection (1), the words “section 356A, section 357(1) or”;
- (b) subsections (3) and (4);
- (c) in subsection (5), the words from “and” to “also fulfilled”; and
- (d) in subsection (7), the words from “and” to the end.
- (3) In subsection (6), for “sections 370 to 372” substitute “ section 370 ”.
- 8 In section 374 of the Taxes Act 1988 (conditions for application of section 369), omit subsection (1)(c) and, in subsection (2), the words “(c) or”.
- 9 (1) In section 375 of the Taxes Act 1988 (interest ceasing to be relevant loan interest, etc.), after subsection (8A) insert—
- “(8B) Subsections (1), (5) and (6) above shall not apply where interest ceases to be relevant loan interest by virtue of section 38 of the Finance Act 1999.”

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (2) Omit subsections (9) and (10) of that section.
- 10 Section 375A of the Taxes Act 1988 (option to deduct interest for Schedule A purposes) shall cease to have effect.
- 11 In section 376 of the Taxes Act 1988 (meaning of qualifying borrowers and qualifying lenders), omit—
- (a) in subsection (3), the words from “and” to the end; and
 - (b) subsection (6).
- 12 Section 377 of the Taxes Act 1988 (variation of repayment terms of certain loans) shall cease to have effect.
- 13 In section 378 of the Taxes Act 1988 (supplementary regulations)—
- (a) omit subsections (1), (2) and (4); and
 - (b) in subsection (3), for “377”, wherever occurring, substitute “376A”.
- 14 In section 379 of the Taxes Act 1988 (interpretation of sections 369 to 378)—
- (a) in the definition of “qualifying lender”, omit the words “to (6)”;
 - (b) in the definition of “regulations”, omit the words “except in sections 378(1) and (2)”;
 - (c) after the definition of “relevant loan interest” insert the following definition—
- ““separated” means separated under an order of a court of competent jurisdiction or by deed of separation or in such circumstances that the separation is likely to be permanent.”

Other amendments

- 15 (1) Section 488 of the Taxes Act 1988 (tax liability of co-operative housing associations) is amended as follows.
- (2) In subsection (1)—
- (a) in paragraph (b), for the words from “as payable not” to “relates; and” substitute “in relation to the association as if there were no interest so payable”; and
 - (b) omit paragraph (c).
- (3) In subsection (2), omit paragraph (b) and the word “and” immediately preceding it.
- (4) In subsection (4), omit the words “a member or of”.
- (5) In subsection (11A), for “all persons concerned” substitute “the association”.
- (6) Omit subsection (12).
- 16 In section 548(3) of the Taxes Act 1988 (cases where deemed surrender and payment in relation to certain loans does not apply), for paragraph (a) substitute—
- “(a) to a policy if it is a qualifying policy and interest at a commercial rate is payable on the sum lent;”.
- 17 (1) Section 222 of the ^{M8}Taxation of Chargeable Gains Act 1992 (relief on disposal of private residence) is amended as follows.
- (2) In subsection (8), in paragraph (a), omit the words from “within” to “Act”.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

(3) After subsection (8) insert—

“(8A) Subject to subsections (8B), (8C) and (9) below, for the purposes of subsection (8) above living accommodation is job-related for a person if—

(a) it is provided for him by reason of his employment, or for his spouse by reason of her employment, in any of the following cases—

(i) where it is necessary for the proper performance of the duties of the employment that the employee should reside in that accommodation;

(ii) where the accommodation is provided for the better performance of the duties of the employment, and it is one of the kinds of employment in the case of which it is customary for employers to provide living accommodation for employees;

(iii) where, there being a special threat to the employee’s security, special security arrangements are in force and the employee resides in the accommodation as part of those arrangements;

or

(b) under a contract entered into at arm’s length and requiring him or his spouse to carry on a particular trade, profession or vocation, he or his spouse is bound—

(i) to carry on that trade, profession or vocation on premises or other land provided by another person (whether under a tenancy or otherwise); and

(ii) to live either on those premises or on other premises provided by that other person.

(8B) If the living accommodation is provided by a company and the employee is a director of that or an associated company, subsection (8A)(a)(i) or (ii) above shall not apply unless—

(a) the company of which the employee is a director is one in which he or she has no material interest; and

(b) either—

(i) the employment is as a full-time working director, or

(ii) the company is non-profit making, that is to say, it does not carry on a trade nor do its functions consist wholly or mainly in the holding of investments or other property, or

(iii) the company is established for charitable purposes only.

(8C) Subsection (8A)(b) above does not apply if the living accommodation concerned is in whole or in part provided by—

(a) a company in which the borrower or his spouse has a material interest; or

(b) any person or persons together with whom the borrower or his spouse carries on a trade or business in partnership.

(8D) For the purposes of this section—

(a) a company is an associated company of another if one of them has control of the other or both are under the control of the same person; and

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (b) “employment”, “director”, “full-time working director”, “material interest” and “control”, in relation to a body corporate, have the same meanings as they have for the purposes of Chapter II of Part V of the Taxes Act.”
- (4) In subsection (9)—
- (a) for “Section 356(3)(b) and (5) of the Taxes Act” substitute “ Subsections (8A)(b) and (8C) above ”; and
- (b) for “within the meaning of that section” substitute “ for the purposes of that subsection ”.

Marginal Citations

M8 1992 c.12.

Commencement

- 18 (1) Paragraph 9(2) above has effect in relation to any loan the only payments under which are payments falling within subsection (3) or (4) of section 38 of this Act.
- (2) Paragraph 15 above has effect in relation to any claim for (or for part of) the year 2000-01 or any subsequent year of assessment.
- (3) Paragraph 16 above has effect in relation to loans made on or after 6th April 2000.
- (4) Paragraph 17 above has effect for the year 2000-01 and subsequent years of assessment.
- (5) The other provisions of this Schedule have effect in relation to any payment of interest falling within subsection (3) or (4) of section 38 of this Act.

SCHEDULE 5

Section 52.

SCOTTISH PARLIAMENT AND DEVOLVED ASSEMBLIES: EXEMPTIONS AND RELIEFS

Payments on dissolution, etc., or loss of office

- 1 For section 190 of the Taxes Act 1988 (exemption from charge as emoluments of certain payments made to members of Parliament and others) substitute—

“190 Payments to MPs and others.

- (1) Grants and payments to which this section applies shall be exempt from income tax under Schedule E as emoluments, but without prejudice to any charge to tax under section 148 (payments in connection with termination of employment, etc.).
- (2) This section applies to grants and payments if they are made—
- (a) in pursuance of a resolution of the House of Commons to a person ceasing to be a member of that House on a dissolution of Parliament;

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (b) under section 13 of the ^{M9}Parliamentary Pensions etc. Act 1984 or section 4 of the ^{M10}Ministerial and other Pensions and Salaries Act 1991 (grants to persons ceasing to hold certain Ministerial and other offices); or
 - (c) under section 3 of the ^{M11}European Parliament (Pay and Pensions) Act 1979 (resettlement grants for persons ceasing to be Representatives).
- (3) This section also applies to grants and payments if they are not pension payments and they are made—
- (a) under section 81(3) of the ^{M12}Scotland Act 1998—
 - (i) to a person ceasing to be a member of the Scottish Parliament on the dissolution of the Scottish Parliament, or
 - (ii) to a person ceasing to hold an office corresponding to a relevant office;
 - (b) under section 18(1) of the ^{M13}Government of Wales Act 1998 to a person ceasing to be a member of the National Assembly for Wales on the expiry of his term of office; or
 - (c) under section 48(1) of the ^{M14}Northern Ireland Act 1998—
 - (i) to a person ceasing to be a member of the Northern Ireland Assembly on the dissolution of the Assembly, or
 - (ii) to a person ceasing to hold an office corresponding to a relevant office.
- (4) In subsection (3) above “a relevant office” has the same meaning as in section 4 of the ^{M15}Ministerial and other Pensions and Salaries Act 1991.”

Marginal Citations

M9 1984 c.52.
M10 1991 c.5.
M11 1979 c.50.
M12 1998 c.46.
M13 1998 c.38.
M14 1998 c.47.
M15 1991 c.5.

Payments in respect of overnight expenses or EU travel

- 2 (1) After section 200 of the Taxes Act 1988 insert—

“200ZA Expenses of members of Scottish Parliament, National Assembly for Wales or Northern Ireland Assembly.

- (1) This section applies to payments made—
- (a) to members of the Scottish Parliament under section 81(2) of the ^{M16}Scotland Act 1998,
 - (b) to members of the National Assembly for Wales under section 16(2) of the ^{M17}Government of Wales Act 1998, or

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (c) to members of the Northern Ireland Assembly under section 47(2) of the ^{M18}Northern Ireland Act 1998.
- (2) If a payment to which this section applies is expressed to be made in respect of necessary overnight expenses or EU travel expenses, the payment shall not be regarded as income for any purpose of the Income Tax Acts.
- (3) For the purposes of subsection (2) above—
“necessary overnight expenses” are additional expenses necessarily incurred by the member for the purpose of performing duties as a member in staying overnight away from the member’s only or main residence, either in the area in which the body of which he is a member sits or in the constituency or region for which he has been returned, and “EU travel expenses” are the cost of, and any additional expenses incurred in, travelling between the United Kingdom and—
(a) any European Union institution in Brussels, Luxembourg or Strasbourg, or
(b) the national parliament of another member State.”
- (2) For section 198(4) of that Act (exclusion of deduction in respect of expenditure for which parliamentary allowance may be given) substitute—
“(4) No deduction shall be made under this section in respect of expenditure incurred by—
(a) a member of the House of Commons, or
(b) a member of the Scottish Parliament, or
(c) a member of the National Assembly for Wales, or
(d) a member of the Northern Ireland Assembly,
in, or in connection with, the provision or use of residential or overnight accommodation to enable him to perform his duties as such a member in or about the place where the body of which he is a member sits or the constituency or region for which he has been returned.”

^{F1}(3)

Textual Amendments

F1 Sch. 5 para. 2(3) repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, Sch. 4

Marginal Citations

M16 1998 c.46.

M17 1998 c.38.

M18 1998 c.47.

Office-holders’ transport and subsistence

- 3 In section 200AA of the Taxes Act 1988 (exemption from Schedule E charge of expenses payments to holders of ministerial offices, etc.), in subsection (2) after paragraph (b) insert—

“, and

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (c) any office under the ^{M19}Scotland Act 1998, the ^{M20}Government of Wales Act 1998 or the ^{M21}Northern Ireland Act 1998 that corresponds to any of the offices mentioned in paragraph (a) or (b) above.”

Marginal Citations

- M19** 1998 c.46.
M20 1998 c.38.
M21 1998 c.47.

Trustees’ income from parliamentary pension funds

- 4 In section 613(4) of the Taxes Act 1988 (Parliamentary pension funds: exemption from tax on income derived from funds), after paragraph (b) insert—

- “(bb) any fund maintained for the purposes of a pension scheme—
- (i) established for members of the Scottish Parliament under section 81(4) of the Scotland Act 1998,
 - (ii) established for members of the Welsh Assembly under section 18(2) of the Government of Wales Act 1998, or
 - (iii) established for members of the Northern Ireland Assembly under section 48(2) of the Northern Ireland Act 1998;”;

and in the closing words for “Funds” (twice) substitute “ funds ”.

Relevant statutory schemes

- 5 (1) In section 611A of the Taxes Act 1988 (definition of relevant statutory scheme), for subsection (1) substitute—

- “(1) In this Chapter any reference to a relevant statutory scheme is to—
- (a) a statutory scheme established before 14th March 1989, or
 - (b) a statutory scheme established on or after that date and entered in the register maintained by the Board for the purposes of this section, or
 - (c) a parliamentary pension scheme.”

- (2) At the end of that section add—

- “(5) In subsection (1)(c) “parliamentary pension scheme” means—
- (a) the Parliamentary pension scheme within the meaning of the ^{M22}Parliamentary and other Pensions Act 1987;
 - (b) any pension scheme established for members of the Scottish Parliament under section 81(4) of the Scotland Act 1998;
 - (c) any pension scheme established for members of the Welsh Assembly under section 18(2) of the Government of Wales Act 1998;
 - (d) any pension scheme established for members of the Northern Ireland Assembly under section 48(2) of the Northern Ireland Act 1998;
 - (e) the pension scheme established for members of the European Parliament under section 4 of the ^{M23}European Parliament (Pay and Pensions) Act 1979;

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (f) the pension scheme established under section 3 of the ^{M24}Ministerial Salaries and Members' Pensions Act (Northern Ireland) 1965;
- (g) the pension scheme established under the ^{M25}Assembly Pensions (Northern Ireland) Order 1976.”

Marginal Citations

- M22** 1987 c.45.
- M23** 1979 c.50.
- M24** 1965 c.18(N.I.).
- M25** S.I. 1976/1779.

Pensions of members of the Scottish Executive

- 6 (1) Sub-paragraph (2) below applies if provision under the ^{M26}Scotland Act 1998 is made for the salary paid to members of the Scottish Parliament who are also members of the Scottish Executive to be lower than that of other members of the Scottish Parliament.
- (2) In that case, sections 629 and 654 of the Taxes Act 1988 (under which part of the salary of the holder of certain offices is treated as remuneration as a member of the House of Commons) apply in relation to the salary of a member of the Scottish Executive who is also a member of the Scottish Parliament as they apply in relation to the salary of the holder of a qualifying office within the meaning of those sections who is also a member of the House of Commons, with such modifications as the Treasury may specify by order.
- (3) In this paragraph references to a member of the Scottish Executive include a junior Scottish Minister.

Marginal Citations

- M26** 1998 c.46.

SCHEDULE 6

Section 54.

TAX TREATMENT OF RECEIPTS BY WAY OF REVERSE PREMIUM

Application of this Schedule

- 1 (1) This Schedule applies where—
- (a) a person receives a payment or other benefit by way of inducement in connection with a transaction being entered into by him or a person connected with him;
 - (b) that transaction (the “relevant transaction”) is one under which the person receiving the payment or other benefit, or as the case may be the person connected with him, becomes entitled to an estate or interest in, or a right in or over, land; and
 - (c) the payment or other benefit is paid or provided by—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (i) the person (“the grantor”) by whom that estate, interest or right is granted or was granted at an earlier time, or
 - (ii) a person connected with the grantor, or
 - (iii) a nominee of, or a person acting on the directions of, the grantor or a person connected with the grantor.
- (2) The payment or other benefit is referred to in this Schedule as a “reverse premium”.

Tax treatment of receipts by way of reverse premium

- 2 (1) A reverse premium shall be regarded for the purposes of the Tax Acts as a receipt of a revenue nature.
- (2) Where the relevant transaction is entered into—
- (a) by the person receiving the reverse premium, and
 - (b) for the purposes of a trade, profession or vocation carried on or to be carried on by that person,
- the reverse premium shall be taken into account in computing the profits of that trade, profession or vocation under Case I or II of Schedule D.
- (3) If sub-paragraph (2) does not apply, the person receiving the reverse premium is chargeable to tax as if it were a receipt of a transaction entered into by him for the exploitation, as a source of rents or other receipts, of an estate, interest or right in or over the land in question.

Arrangements not at arm’s length

- 3 (1) Where—
- (a) two or more of the parties to the relevant arrangements are connected persons, and
 - (b) the terms of those arrangements are not such as would reasonably have been expected if those persons had been dealing at arm’s length,
- the whole amount or value of the reverse premium shall be brought into account under paragraph 2(2) or (3) in the first relevant period of account.
- (2) The “first relevant period of account” means the period of account in which the relevant transaction is entered into, subject to sub-paragraph (3).
- (3) If the relevant transaction is entered into—
- (a) by the person receiving the reverse premium, and
 - (b) for the purposes of a trade, profession or vocation which is not then carried on by him but which he subsequently begins to carry on,
- the first relevant period of account is the first period of account in which he carries on the trade, profession or vocation.
- (4) The condition in sub-paragraph (1)(b) is met if the terms differ to a significant extent from the terms which at the time the arrangements were entered into would be regarded as normal and reasonable in the market conditions then prevailing between persons dealing with each other at arm’s length in the open market.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (5) In this paragraph “period of account” means a period for which accounts of the trade, profession, vocation or business in question are drawn up.

Special rules for insurance companies carrying on life assurance business

- 4 (1) Paragraphs 2 and 3 have effect subject to the provisions of this paragraph.
- (2) Nothing in paragraph 2 or 3 shall prevent any amount from being brought into account in accordance with section 83 of the ^{M27}Finance Act 1989 (receipts to be brought into account in Case I computation of profits in respect of life assurance).
- (3) Where a reverse premium is received by an insurance company carrying on life assurance business in respect of which it is chargeable to tax otherwise than in accordance with the rules applicable to Case I of Schedule D, there shall be deducted from the amount treated as the company’s expenses of management for the accounting period in which the reverse premium is received such part of the reverse premium as is attributable—
- (a) to its life assurance business, and
- (b) to its basic life assurance and general annuity business.
- (4) In this paragraph “insurance company”, “life assurance business” and “basic life assurance and general annuity business” have the same meaning as in Chapter I of Part XII of the Taxes Act 1988.

Modifications etc. (not altering text)

- C1** Sch. 6 para. 4 modified (13.10.1999) by 1997/473, reg. 53B (as inserted (13.10.1999) by [S.I. 1999/2636](#), reg. 7)

Marginal Citations

- M27** [1989 c.26](#).

Exclusion of receipts taken into account for capital allowances

- 5 This Schedule does not apply to a payment or benefit if or to the extent that it is taken into account under [^{F2}section 532 of the Capital Allowances Act (the general rule excluding contributions)] to reduce the recipient’s expenditure qualifying for capital allowances.

Textual Amendments

- F2** Words in Sch. 6 para. 5 substituted (22.3.2001 with effect as mentioned in [s. 579\(1\)](#) of the amending Act) by [2001 c. 2, s. 578](#), [Sch. 2 para. 104](#)

Exclusion of transaction relating to individual’s only or main residence

- 6 This Schedule does not apply to a payment or benefit received in connection with a relevant transaction where the person entering into the transaction is an individual and the transaction relates to premises occupied or to be occupied by him as his only or main residence.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Exclusion of consideration under sale and lease-back arrangement

- 7 This Schedule does not apply to a payment or benefit to the extent that it is consideration for the transfer of an estate or interest in land which constitutes the sale in a sale and lease-back arrangement.

A “sale and lease-back arrangement” means any such arrangement as is described in section 779(1) or (2) or section 780(1) of the Taxes Act 1988.

Connected persons and relevant arrangements

- 8 (1) For the purposes of this Schedule persons are connected with each other if they are connected within the meaning of section 839 of the Taxes Act 1988 at any time during the period when the relevant arrangements are entered into.
- (2) In this Schedule “the relevant arrangements” means the relevant transaction and any arrangements entered into in connection with it, whether before, at the same time or after it.

SCHEDULE 7

Section 72.

APPLICATION OF TAPER RELIEF TO EIS DEFERRED GAINS

After Schedule 5B to the ^{M28}Taxation of Chargeable Gains Act 1992 (EIS re-investment) insert—

“SCHEDULE 5BA

ENTERPRISE INVESTMENT SCHEME: APPLICATION OF TAPER RELIEF

Application of Schedule

- 1 (1) This Schedule applies where—
- (a) a chargeable gain (“the original gain”) accrues on the disposal of shares (“the original shares”) to which deferral relief or relief under Chapter III of Part VII of the Taxes Act (EIS income tax relief), or both, is attributable;
 - (b) the whole or part of the original gain is treated as not having accrued at the time of that disposal because of expenditure on shares being set against it under paragraph 2 of Schedule 5B; and
 - (c) a chargeable gain (“the revived gain”) is subsequently treated as accruing in accordance with paragraph 4 of Schedule 5B as a result of the disposal (“the relevant disposal”) of shares expenditure on which has been set under paragraph 2 of Schedule 5B against the whole or part of the original gain or the whole or part of a gain derived from the original gain.
- (2) This Schedule applies only if the original shares were issued on or after 6th April 1998 and disposed of on or after 6th April 1999.

Taper relief on revived gains

- 2 (1) Where this Schedule applies, the provisions of paragraphs 3 to 5 below have effect for applying taper relief under section 2A in relation to the revived gain.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (2) Those provisions do not apply to the extent that the revived gain is treated as not having accrued at the time of the relevant disposal because of expenditure being set against it under paragraph 2 of Schedule 5B.

Qualifying holding period

- 3 (1) The qualifying holding period of the original shares for the purposes of taper relief is the period beginning with the date of issue of the original shares and ending with the date of the relevant disposal.
- (2) Sub-paragraph (1) is subject to paragraph 2(4) of Schedule A1 (periods that do not count for taper relief purposes).

Periods that do not count

- 4 A period—
- (a) which falls within the period beginning with the date of issue of the original shares and ending with the date of the relevant disposal, and
 - (b) during which neither the original shares nor any relevant re-investment shares were held,
- does not count for the purposes of taper relief.

Gains on disposal of business or non-business assets

- 5 (1) The following rules apply to determine whether, or to what extent, the revived gain is for taper relief purposes a gain on the disposal of a business asset or a gain on the disposal of a non-business asset.
- (2) The revived gain is treated as a gain on the disposal of an asset which was acquired on the issue of the original shares and disposed of on the date of the relevant disposal.
- (3) That asset is treated as being the original shares during the period for which they were held.
- (4) That asset is treated as being any relevant re-investment shares during the period for which those shares were held, or so much of that period as is not an overlap period in relation to those shares.
- (5) For the purposes of sub-paragraph (4) an “overlap period”, in relation to any relevant re-investment shares, means a period during which those shares and also—
- (a) any of the original shares, or
 - (b) any relevant re-investment shares issued before the relevant re-investment shares in question,
- are held.

Savings

- 6 The application of paragraphs 3 to 5 above in relation to the revived gain does not affect the treatment for the purposes of taper relief under section 2A of—
- (a) any gain which is treated as accruing in accordance with paragraph 4 of Schedule 5B at the same time as the revived gain, or

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (b) any part of a gain where no expenditure was set under paragraph 2 of Schedule 5B against that part of the gain.

Relevant re-investment shares

- 7 For the purposes of this Schedule—
- (a) shares are “re-investment shares” if expenditure on them is set under paragraph 2 of Schedule 5B against all or part of a gain; and
- (b) re-investment shares are “relevant re-investment shares”, in relation to a revived gain, if—
- (i) their disposal results in a gain being treated as accruing under paragraph 4 of Schedule 5B, and
- (ii) that gain is the revived gain or a gain from which the revived gain is derived.

Derivation of gains

- 8 For the purposes of this Schedule a gain (“the later gain”) is derived from another gain (“the earlier gain”) if—
- (a) the later gain is treated as accruing in accordance with paragraph 4 of Schedule 5B on the disposal of any shares, and
- (b) expenditure on those shares has been set under paragraph 2 of Schedule 5B against all or part of the earlier gain or a gain which, by virtue of this paragraph, is derived from the earlier gain.

Interpretation

- 9 Expressions defined for the purposes of Schedule 5B (apart from “the original gain”) have the same meaning for the purposes of this Schedule as they have for the purposes of that Schedule.”.

Marginal Citations

M28 1992 c.12.

Marginal Citations

M28 1992 c.12.

SCHEDULE 8

Section 73.

EIS DEFERRED GAINS: GAINS ACCRUING ON PART DISPOSAL

Introductory

- 1 Schedule 5B to the ^{M29}Taxation of Chargeable Gains Act 1992 (relief in respect of re-investment under the enterprise investment scheme) is amended as follows.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Marginal Citations

M29 1992 c.12.

Paragraph 4

- 2 (1) In paragraph 4(1) (amount of gain accruing on chargeable event), for paragraph (b) substitute—
- “(b) the amount of the gain shall be equal to so much of the deferred gain as is attributable to the shares in relation to which the chargeable event occurs.”
- (2) For paragraph 4(5)(a) (amount of gain where shares represented by other assets) substitute—
- “(a) so much of the deferred gain as is attributable to those shares shall be treated, in determining for the purposes of this paragraph the amount of the deferred gain to be treated as attributable to each of those assets, as apportioned in such manner as may be just and reasonable between those assets; and”.
- (3) After paragraph 4(5) insert—
- “(6) In order to determine, for the purposes of this paragraph, the amount of the deferred gain attributable to any shares, a proportionate part of the amount of the gain shall be attributed to each of the relevant shares held, immediately before the occurrence of the chargeable event in question, by the investor or a person who has acquired any of the relevant shares from the investor on a disposal within marriage.
- (7) In this paragraph “the deferred gain” means—
- (a) the amount of the original gain against which expenditure has been set under this Schedule, less
- (b) the amount of any gain treated as accruing under this paragraph previously as a result of a disposal of any of the relevant shares.”

Paragraph 19

- 3 (1) In paragraph 19(1) (interpretation) omit the definition of “relevant shares”.
- (2) After paragraph 19(1) insert—
- “(1A) For the purposes of this Schedule, “the relevant shares”, in relation to a case to which this Schedule applies, means the shares which—
- (a) are acquired by the investor in making the qualifying investment, and
- (b) where the qualifying investment is made before the time at which the original gain accrues, are still held by the investor at that time.

This is subject to sub-paragraphs (1B) and (1D) below.

- (1B) If any corresponding bonus shares in the same company are issued to the investor or any person who has acquired any of the relevant shares from the investor on a disposal within marriage, this Schedule shall apply as

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

if references to the relevant shares were to all the shares comprising the relevant shares and the bonus shares so issued.

- (1C) In sub-paragraph (1B) above “corresponding bonus shares” means bonus shares which—
- (a) are issued in respect of the relevant shares; and
 - (b) are of the same class, and carry the same rights, as those shares.
- (1D) If, in circumstances in which paragraph 8 above applies, new shares are issued in exchange for old shares, references in this Schedule to the relevant shares, so far as they relate to the old shares, shall be construed as references to the new shares and not to the old shares.
- (1E) In sub-paragraph (1D) above “new shares” and “old shares” have the same meaning as in paragraph 8 above.”

Consequential amendments

- 4 In consequence of paragraph 3 above—
- (a) in paragraph 2 (postponement of original gain), in sub-paragraphs (1) and (4), for “relevant shares” substitute “ the relevant shares ”;
 - (b) in paragraph 2(2) and (3), for “any relevant shares” substitute “ the relevant shares ”;
 - (c) in paragraph 2(2)(b), for “those relevant shares” substitute “ the relevant shares ”;
 - (d) in paragraph 3 (chargeable events), in sub-paragraph (1) and paragraphs (a) and (b) of sub-paragraph (5), for “any relevant shares” substitute “ any of the relevant shares ”;
 - (e) in paragraph 4 (gain accruing on chargeable event), in sub-paragraphs (1) and (5), for “any relevant shares” substitute “ any of the relevant shares ”;
 - (f) in paragraph 4(5)(b), for “the same relevant shares” substitute “ the same shares ”;
 - (g) in paragraph 5(1) (person to whom gain accrues), for “any relevant shares” substitute “ any of the relevant shares ”;
 - (h) in paragraph 6(1) (deferral claims), for “relevant shares” substitute “ the relevant shares ”;
 - (i) in paragraph 16(1) and (2) (information about chargeable events), for “any relevant shares” substitute “ any of the relevant shares ”; and
 - (j) in paragraph 19(1) (interpretation), in the definition of “the five year period”, for “any relevant shares” substitute “ any of the relevant shares ”.

SCHEDULE 9

Section 74.

CHARGEABLE GAINS: VALUE SHIFTING AND TAX-FREE BENEFITS

- 1 The ^{M30}Taxation of Chargeable Gains Act 1992 shall be amended as follows.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Marginal Citations

M30 1992 c.12.

- 2 The following section shall be inserted after section 31 (value shifting: tax-free benefits from distributions within groups)—

“31A Asset-holding company leaving the group.

- (1) This section applies where profits of a company would be profits arising on a transaction caught by section 31 but for the fact that the condition in section 31(8) is not satisfied.
- (2) The profits shall be treated as profits arising on a transaction caught by section 31 if—
 - (a) subsection (4) or (5) below is satisfied, and
 - (b) subsection (6) below is satisfied.
- (3) In the following provisions of this section—

“the asset-holding company” means, in relation to any particular time, the company which holds the asset with enhanced value at that time,

“the disposal group” means the group of companies of which the company which made the section 30 disposal was a member at the time of the disposal (or a group which, by virtue of section 170(10), is treated as the same as that group), and

“the six-year period” means the period of six years starting with the date of the section 30 disposal.
- (4) This subsection is satisfied if at any time during the six-year period an event occurs which consists in the asset-holding company ceasing to be a member of the disposal group otherwise than by reason of the fact that the principal company of that group becomes a member of another group.
- (5) This subsection is satisfied if—
 - (a) at any time during the six-year period the asset-holding company ceases to be a member of the disposal group by reason only of the fact that the principal company of that group becomes a member of another group, and
 - (b) at any time during that period an event occurs as a result of which there is no member of the disposal group of which the asset-holding company is a 75 per cent. subsidiary or there is no member of that group of which the asset-holding company is an effective 51 per cent. subsidiary.
- (6) This subsection is satisfied if no disposal of the asset with enhanced value is treated as having occurred by virtue of section 179 during the period—
 - (a) beginning with the time of the section 30 disposal, and
 - (b) ending immediately before the event referred to in subsection (4) or (5)(b) above.
- (7) Where section 30 has effect by virtue of this section in relation to a disposal—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (a) a chargeable gain of the differential amount shall be treated as accruing to the chargeable company immediately before the event referred to in subsection (4) or (5)(b) above, and
 - (b) subsection (5) of section 30 shall not apply.
- (8) The “differential amount” is A minus B where—
- (a) A is the amount of the allowable loss or chargeable gain which would have accrued on the section 30 disposal if the consideration for the disposal had been increased in accordance with section 30(5),
 - (b) B is the amount of the allowable loss or chargeable gain which accrued on the section 30 disposal,
 - (c) an allowable loss is treated as a negative amount, and
 - (d) a negative result is treated as a result of nil.
- (9) The “chargeable company” is—
- (a) the company which made the section 30 disposal, or
 - (b) if that company is no longer a member of the disposal group immediately before the event referred to in subsection (4) or (5)(b) above, the principal company of that group.
- (10) A gain which is treated as accruing by virtue of subsection (7) above shall, for the purposes of section 18(3), be treated as a gain accruing on a disposal between the parties to the section 30 disposal made at a time when they are connected persons.”
- 3 (1) Section 33 (provisions supplementary to sections 30 to 32) shall be amended as follows.
- (2) After subsection (1) there shall be substituted—
- “(1A) For the purposes of section 31A, subsections (2) to (6) below apply for the purpose of determining any question in relation to the asset with enhanced value.”
- (3) In subsection (2), for “and 31(7)” there shall be substituted “, 31(7) and 31A(6) ”.
- (4) In subsection (3) there shall be inserted at the beginning “ For the purposes of sections 30(2) and 31(7) to (9), ”
- (5) After subsection (3) there shall be inserted—
- “(3A) Subsections (3B) and (3C) below apply (instead of subsection (3) above) for the purposes of section 31A where one or more assets are treated by virtue of subsection (5) or (6) below as the same as the asset with enhanced value.
- (3B) If in the period beginning with the time of the transaction referred to in section 31(6) and ending immediately before the event referred to in section 31A(4) or (5)(b)—
- (a) there is no disposal of the asset with enhanced value to any person other than a disposal falling with section 171(1), and
 - (b) no disposal of the asset with enhanced value is treated as having occurred by virtue of section 179,
- then references to the asset with enhanced value are to the asset which is treated by virtue of subsection (5) or (6) below as the same as that asset or, as the case may be, all the assets so treated.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (3C) In any other case, references to the asset with enhanced value are to an asset or, as the case may be, all the assets representing that part of the value of the asset with enhanced value that remains after allowing for disposals of a kind mentioned in subsection (3B)(a) or (b).”
- (6) In subsection (4)—
- (a) for “Where by virtue of subsection (3) above those references are to 2 or more assets” there shall be substituted “ Where by virtue of subsection (3), (3B) or (3C) above references to an asset are taken as references to two or more assets ”, and
- (b) in paragraph (c), for “the reference in section 31(8)” there shall be substituted “ a reference in section 31(8) or 31A(3) ”.
- (7) After subsection (8) there shall be inserted—
- “(8A) In a case where—
- (a) profits are treated as profits arising on a transaction caught by section 31 by virtue of section 31A, and
- (b) the condition in section 31(7) or a condition in section 31A is satisfied by reference to an asset, or assets treated as a single asset, treated by virtue of subsection (3C) above as the same as the asset with enhanced value,
- the amount of the reduction in value of the principal asset shall be reduced to such amount as is just and reasonable.”
- 4 (1) Section 34 (transactions treated as a reorganisation of share capital) shall be amended as follows.
- (2) After subsection (1) there shall be inserted—
- “(1A) Subsection (1B) below applies where, but for sections 127 and 135(3), section 30 would have effect, by virtue of section 31A, as respects the disposal by a company (“the disposing company”) of an asset consisting of shares in or debentures of another company (“the original holding”) in exchange for shares in or debentures of a further company which, immediately after the disposal, is not a member of the same group as the disposing company.
- (1B) Section 31A shall apply as if sections 127 and 135(3) did not apply.
- (1C) In applying section 31A(7) and (8)—
- (a) the reference in section 31A(8) to an allowable loss or chargeable gain which accrued on the section 30 disposal shall be taken as a reference to the allowable loss or chargeable gain which would have accrued had sections 127 and 135(3) not applied, and
- (b) an allowable loss shall be treated as a chargeable gain of nil.”
- (3) In subsection (2)—
- (a) for “subsection (1) above” there shall be substituted “ subsections (1) to (1C) above ”, and
- (b) for “that subsection” there shall be substituted “ those subsections ”.
- 5 This Schedule has effect in relation to any disposal of an asset which occurs on or after 9th March 1999.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

SCHEDULE 10

Section 79.

SHARING OF PENSIONS ETC. ON DIVORCE OR ANNULMENT

Modifications etc. (not altering text)

- C2** Sch. 10 applied (with modifications) (10.5.2000) by S.I. 2000/1085, regs. 3-8
 Sch. 10 applied (S.) (28.1.2002) by S.I. 1995/365, Pt. W para. W14(2) (as inserted (28.1.2002) by S.S.I. 2001/465, reg. 3, Sch. 1)

Definition of “pension business”

- 1 (1) Section 431B of the Taxes Act 1988 (meaning of “pension business”) shall be amended as follows.
- (2) In subsection (2)—
- (a) in paragraph (e) (contracts in substitution of contracts under paragraph (d)), after “(d) above” there shall be inserted “ or this paragraph ”; and
- (b) after that paragraph there shall be inserted the following paragraph—
- “(ea) any contract which is entered into, for purposes connected with giving effect to any pension sharing order or provision made in relation to a contract falling within paragraph (d) or (e) above or this paragraph and by means of which relevant benefits (see subsections (3) and (4) below), and no other benefits, are secured;”.
- (3) After that subsection there shall be inserted the following subsection—
- “(2A) For the purposes of subsection (2)(d) above the members of and contributors to a scheme or fund shall be deemed to include any person who by virtue of any pension sharing order or provision (within the meaning of Part XIV) has become entitled to any credit as against the persons having the management of the scheme or fund.”
- (4) In subsection (3) (meaning of “relevant benefits”)—
- (a) for “subsection (2)(d) and (e)” there shall be substituted “ subsection (2)(d) to (ea) ”; and
- (b) after the words “subsection (2)(e)”, wherever they occur, there shall be inserted “ or (ea) ”.

Approval of retirement benefit schemes

- 2 (1) In subsection (2) of section 590 of the Taxes Act 1988 (conditions for approval of scheme), for paragraph (a) there shall be substituted—
- “(a) that the scheme is bona fide established for the sole purpose (subject to any enactment or Northern Ireland legislation requiring or allowing provision for the value of any rights to be transferred between schemes or between members of the same scheme) of providing relevant benefits in respect of service as an employee;”.
- (2) After that paragraph there shall be inserted the following paragraph—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- “(aa) that those benefits do not include any benefits payable to a person other than—
- (i) the employee or a scheme member’s ex-spouse,
 - (ii) a widow, widower, child, or dependant of the employee or of a scheme member’s ex-spouse, or
 - (iii) the personal representatives of the employee or of a scheme member’s ex-spouse;”.
- (3) In subsection (3) of that section (conditions for automatic approval), for paragraph (c) there shall be substituted the following paragraphs—
- “(ba) that any benefit for an ex-spouse, or for the widow or widower of an ex-spouse, is a benefit in relation to which the scheme satisfies the conditions set out in subsection (3A) below;
 - (bb) that the scheme does not allow any rights debited to a scheme member as a consequence of a pension sharing order or provision to be replaced with any rights which that scheme member would not have been able to acquire (in addition to the debited rights) had the order or provision not been made;
 - (c) that no benefits are payable under the scheme other than those mentioned in paragraphs (a), (b) and (ba) above;”.
- (4) In paragraph (d) of that subsection (restriction on surrender, commutation and assignment)—
- (a) for “except” there shall be substituted “except—
 - (i) for the purpose of giving effect to a pension sharing order or provision, or
 - (ii) in so far as the commutation of a benefit for an ex-spouse is allowed by virtue of subsection (3A) below, or
 - (iii);
- and
- (b) for “his pension” there shall be substituted “ a pension provided for him ”.
- (5) After that paragraph there shall be inserted the following paragraph—
- “(da) that, in a case in which—
- (i) a lump sum may be obtained by the commutation of a part of a pension provided for an employee, and
 - (ii) the amount of that pension is affected by the making of a pension sharing order or provision,
- the lump sum does not exceed the sum produced by multiplying by 2.25 the amount which (after effect has been given to the pension sharing order or provision) is the amount of that pension for the first year in which it is payable;”.
- (6) After subsection (3) of that section there shall be inserted the following subsection—
- “(3A) The conditions mentioned in subsection (3)(ba) above are—
- (a) that any benefit for an ex-spouse takes the form of a pension (with or without an entitlement to commute a part of that pension);

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (b) that any benefit for an ex-spouse is a pension payable only on the attainment by the ex-spouse of a specified age of not less than 60 and not more than 75;
 - (c) that any entitlement to commute a part of the pension is exercisable only on its becoming payable;
 - (d) that any benefit for the widow or widower of an ex-spouse is confined to a non-commutable pension payable on the death of the ex-spouse at a time when the ex-spouse is already entitled to receive a pension under the scheme;
 - (e) that any pension provided for the widow or widower of an ex-spouse is of an amount not exceeding two-thirds of the pension payable to the ex-spouse;
 - (f) that, in a case in which a lump sum may be obtained by the commutation of a part of a pension provided for an ex-spouse, the lump sum does not exceed the sum produced by multiplying the amount of the pension for the first year in which it is payable by 2.25.”
- (7) In subsection (4) of that section (conditions that are referred to as “the prescribed conditions”), for “subsections (2) and (3)” there shall be substituted “ subsections (2) to (3A) ”.
- (8) After subsection (4A) of that section there shall be inserted the following subsections—
- “(4B) For the purposes of this section a benefit provided under any scheme is provided for an ex-spouse or the widow or widower of an ex-spouse, and shall be treated as not provided for an employee or the widow or widower of an employee, to the extent (and to the extent only) that—
- (a) it is provided for a person who is, or is the widow or widower of, either—
 - (i) an employee who is an ex-spouse; or
 - (ii) a scheme member’s ex-spouse;
 - and
 - (b) it is as an ex-spouse, or as the widow or widower of an ex-spouse, that that person is the person for whom the benefit is provided.
- (4C) For the purposes of this section a benefit provided for any person under any scheme is provided for that person as an ex-spouse, or as the widow or widower of an ex-spouse, to the extent (and to the extent only) that—
- (a) the benefit is provided in respect of rights of an ex-spouse that are or represent rights conferred on the ex-spouse as a consequence of a pension sharing order or provision; and
 - (b) the scheme makes provision for the benefit to be treated as provided separately from any benefits which are provided under the scheme for the same person as an employee or as the widow or widower of an employee.
- (4D) In this section “scheme member”, in relation to a scheme, means—
- (a) an employee; or
 - (b) a person entitled to any relevant benefits under the scheme as a consequence of a pension sharing order or provision.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (4E) The following rules shall apply in calculating for the purposes of subsection (3)(da) or (3A)(f) above the amount of a person’s pension for the first year in which it is payable—
- (a) if the pension payable for the year changes, the initial pension payable shall be taken;
 - (b) it shall be assumed that that person will survive for the year; and
 - (c) the effect of commutation shall be ignored.
- (4F) A pension provided for an ex-spouse who is an employee, or for the widow or widower of such an ex-spouse, shall be disregarded in any determination of whether the conditions set out in subsection (3)(e) to (h) above are satisfied or continue to be satisfied in the case of that employee.”

Discretionary approval of retirement benefit schemes

- 3 In section 591(2) of the Taxes Act 1988—
- (a) in paragraph (b) (discretion to approve schemes providing benefits for widows on the death in service of an employee), after “widows” there shall be inserted “ and widowers ”; and
 - (b) after that paragraph there shall be inserted the following paragraph—
 - “(ba) which provides pensions for the widows and widowers of ex-spouses dying before the age at which their pensions become payable and for the children or dependants of ex-spouses; or”.

Non-approved retirement benefit schemes

- 4 In subsection (5) of section 595 of the Taxes Act 1988 (charge to tax in respect of certain sums paid by employer etc.), after “wife” there shall be inserted “ or husband, ” and after “widow” there shall be inserted “ or widower or ”.
- 5 In section 596 of the Taxes Act 1988, after subsection (3) (relief where a taxed contribution does not result in the payment of benefits) there shall be inserted the following subsection—
- “(4) Relief shall not be given under subsection (3) above in respect of tax on any sum if—
- (a) the reason for there having been no payment in respect of, or in substitution for, the benefits, or part of the benefits, in question, or
 - (b) the event by reason of which there will be no such payment,
- is a reduction or cancellation, as a consequence of any pension sharing order or provision, of the employee’s rights in respect of the benefits.”
- 6 In section 596A(8)(c) (lump sums provided under non-approved schemes), after the word “employee,”, in the first place where it occurs, there shall be inserted “ an ex-spouse of the employee, ”.

Charge on pensions commuted in special circumstances

- 7 (1) In section 599 of the Taxes Act 1988 (charge to tax where pension commuted in special circumstances), the words “Subject to subsection (1A) below,” shall be

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

inserted at the beginning of subsection (1); and the following subsections shall be inserted after that subsection—

“(1A) Subsection (1) above shall have effect in relation to the commutation of the whole or any part of a pension the amount of which has been affected by the making of any pension sharing order or provision as if paragraph (a) and the words after paragraph (b) were omitted.

(1B) Where—

(a) a scheme to which this section applies contains a rule allowing, in special circumstances, a payment in commutation of the entire pension provided under the scheme for an ex-spouse, and

(b) any pension is commuted, whether wholly or not, under the rule, tax shall be charged on the amount by which the sum receivable exceeds the largest sum which would have been receivable in commutation of any part of the pension under any rule of the scheme authorising the commutation of a part (but not the whole) of the pension.

(1C) A pension provided for an ex-spouse shall be disregarded when applying subsection (1) above in relation to the commutation of any pension provided for an employee.

(1D) A pension provided for an employee shall be disregarded when applying subsection (1B) above in relation to the commutation of any pension provided for an ex-spouse.

(1E) Subsections (4B) and (4C) of section 590 apply for the purposes of subsections (1C) and (1D) above as they apply for the purposes of that section.”

(2) In subsection (6) of that section, after “subsection (1) above” there shall be inserted “, or in applying subsection (1B) above”.

Charge on unauthorised payments

8 (1) In subsection (1) of section 600 of the Taxes Act 1988 (charge on unauthorised payments to employees), after “an employee” there shall be inserted “ or an ex-spouse ”.

(2) In subsection (2) of that section (person charged), for the words from “the employee” to “shall” there shall be substituted “ the employee or, as the case may be, the ex-spouse shall (whether or not he is the recipient of the payment) ”.

Definition of “retirement benefits scheme”

9 (1) In subsections (3) and (4)(b) of section 611 of the Taxes Act 1988 (definition of “retirement benefits scheme”), for the words “employees” and “employee”, wherever occurring, there shall be substituted, respectively, the words “ scheme members ” and “ scheme member ”.

(2) After subsection (5) of that section there shall be inserted the following subsection—

“(6) In this section “scheme member”, in relation to a scheme means—

(a) an employee; or

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (b) a person whose rights under the scheme derive from a pension sharing order or provision.”

Interpretation of Chapter I

- 10 (1) In subsection (1) of section 612 of the Taxes Act 1988 (interpretation of Chapter I of Part XIV), in the definition of “relevant benefits”, after the word “death”, in the first place where it occurs, there shall be inserted “, or by virtue of a pension sharing order or provision”.
- (2) In subsection (2) of that section (references to the provision of relevant benefits to include the provision of benefits under contracts with third parties)—
- (a) after “Chapter” there shall be inserted “, in relation to a scheme,”;
- (b) for “of an employer” there shall be substituted “ or ex-spouses ”; and
- (c) after “or the employee” there shall be inserted “ or ex-spouse ”.
- (3) After that subsection there shall be inserted the following subsection—
- “(2A) In subsection (2) above the reference to the employer is a reference to the person who is the employer in relation to the scheme.”

Overseas pensions

- 11 In section 615(6)(b) of the Taxes Act 1988 (funds annuities from which are paid without deduction of tax to non-UK residents), after “purpose” there shall be inserted “ (subject to any enactment or Northern Ireland legislation requiring or allowing provision for the value of any rights to be transferred between schemes or between members of the same scheme) ”.

Rules prohibiting surrender or assignment of annuities etc.

- 12 (1) In section 634(6) of the Taxes Act 1988 (restriction on assignment or surrender of annuities), for “except that” there shall be substituted “except that—
- (a) an annuity may be assigned or surrendered for the purpose of giving effect to a pension sharing order or provision; and
- (b)”.
- (2) In section 634A(6) of that Act (restriction on assignment or surrender of right to income withdrawals), after “surrender” there shall be inserted “, except for the purpose of giving effect to a pension sharing order or provision”.
- (3) In section 635(5) of that Act (restriction on assignment or surrender of right to payment of lump sum), after “surrender” there shall be inserted “, except for the purpose of giving effect to a pension sharing order or provision”.

Annuity payable on the death of a member

- 13 (1) In section 636 of the Taxes Act 1988 (annuity payable after death of member to spouse or dependants), after subsection (3) there shall be inserted the following subsection—
- “(3A) The references in subsection (3) above—
- (a) to the annual amount or highest annual amount of an annuity of which the member was in receipt before his death, and

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (b) to the highest annual amount of an annuity that would have been payable if it had been purchased on the day before the member's death,

shall each be construed in a case where payments of that annuity were or would have been affected by the making of any pension sharing order or provision as if the only payments of that annuity to be taken into account were those that have been or would have been so affected."

- (2) In subsection (10) of that section (restriction on assignment or surrender of annuities payable after death of member), for "except that" there shall be substituted "except that—
- (a) an annuity may be assigned or surrendered for the purpose of giving effect to a pension sharing order or provision; and
- (b)".

Rule in section 636A prohibiting assignment or surrender

- 14 In section 636A(7) of the Taxes Act 1988 (restriction on assignment or surrender of right to income withdrawals after death of member), after "surrender" there shall be inserted " , except for the purpose of giving effect to a pension sharing order or provision "

Meaning of "relevant earnings"

- 15 (1) In section 644 of the Taxes Act 1988 (which for the purposes of references to relevant earnings contains provisions in subsections (6A) to (6F) for excluding the income of controlling directors), after subsection (6E) there shall be inserted the following subsection—
- "(6EA) Where—
- (a) there is a time at which a person would be in receipt of any benefits under a scheme but for any debit to which any of his rights under that scheme became subject by virtue of any pension sharing order or provision, and
- (b) the benefits he would be in receipt of are benefits payable in respect of past service with a company,
- that person shall be deemed for the purposes of subsections (6A) to (6E) above to be in receipt at that time of benefits under that scheme and the benefits which he is deemed to be in receipt of shall be deemed to be benefits in respect of past service with that company."
- (2) In subsection (6F) of that section (construction of subsections (6A) to (6E))—
- (a) in the words before paragraph (a), for "(6E)" there shall be substituted "(6EA)";
- (b) in paragraph (c) (benefits in respect of past service), after "the company" there shall be inserted " but do not include references to benefits which (within the meaning of section 590) are provided for him as an ex-spouse "; and
- (c) in paragraph (d) (transfer payment in respect of past service), at the end there shall be inserted " but do not include references to any transfer payment made for the purpose of giving effect to a pension sharing order or provision. "

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Purchased life annuities

- 16 In section 657(2) of the Taxes Act 1988 (annuities not treated as purchased life annuities within section 656), after paragraph (e) there shall be inserted “; or
- (f) to any annuity purchased, for purposes connected with giving effect to any pension sharing order or provision, for consideration which derives from—
- (i) a retirement benefits scheme (within the meaning of Chapter I of this Part) of a description mentioned in section 596(1);
 - (ii) sums satisfying the conditions for relief under section 619;
 - (iii) any such scheme or arrangements as are mentioned in paragraph (d) or (e) above; or
 - (iv) the surrender, in whole or in part, of an annuity falling within paragraph (da) above or this paragraph, or of a contract for such an annuity.”

Interpretation of Part XIV

- 17 In Chapter VI of Part XIV of the Taxes Act 1988 (interpretation of Part XIV), the following section shall be inserted after section 659C—

“659D Interpretation of provisions about pension sharing.

- (1) In this Part “ex-spouse” means a party to a marriage that has been dissolved or annulled and, in relation to any person, means the other party to a marriage with that person that has been dissolved or annulled.
- (2) References in this Part to a pension sharing order or provision are references to any such order or provision as is mentioned in section 24(1) of the Welfare Reform and Pensions Act 1999 (rights under pension sharing arrangements).”

Commencement etc.

- 18 (1) In this paragraph—
- “the first appointed day” means such day as the Treasury may by order appoint as the first appointed day for the purposes of this paragraph;
 - “the second appointed day” means such day falling after the first appointed day as the Treasury may by order appoint as the second appointed day for the purposes of this paragraph.
- (2) The power of the Treasury to appoint a day as the second appointed day for the purposes of this paragraph shall include power so to appoint different days for different purposes.
 - (3) Subject to sub-paragraph (4) below, paragraphs 2 and 3(b) above apply for the purposes of the grant or withdrawal at any time on or after the first appointed day of any approval of a retirement benefits scheme (whenever made or approved).
 - (4) Section 590(3)(bb) and (da) of the Taxes Act 1988 shall be disregarded for the purposes of determining whether any retirement benefits scheme approved before the

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

first appointed day satisfies the prescribed conditions at any time before the second appointed day.

- (5) Every retirement benefits scheme which—
- (a) has, before the first appointed day, been approved by the Board for the purposes of Chapter I of Part XIV of the Taxes Act 1988, and
 - (b) by virtue of having been approved before that day continues to be so approved on or after the second appointed day,
- shall have effect, so long as it continues to be approved on and after the second appointed day and notwithstanding anything in the rules of the scheme, as if (so far as it does not already do so) it contained provision satisfying the conditions set out in section 590(3)(bb) and (da) of the Taxes Act 1988.
- (6) Paragraph 6 above applies to any lump sum provided on or after the second appointed day.
- (7) Paragraph 8 above applies to any payment on or after the second appointed day.
- (8) Subject to sub-paragraph (9) below, paragraphs 12 to 14 above apply for the purposes of—
- (a) the grant at any time on or after the first appointed day of any approval of a personal pension scheme (whenever made);
 - (b) the withdrawal at any time on or after that day of approval of any personal pension scheme or personal pension arrangements (whenever approved).
- (9) Section 636(3A) of the Taxes Act 1988 shall be disregarded for the purposes of determining whether any personal pension scheme approved before the first appointed day, or any of the arrangements made by an individual in accordance with such a scheme, satisfies the prescribed conditions at any time before the second appointed day.
- (10) The Board may by regulations provide that, in such circumstances as may be prescribed by the regulations, this Schedule shall apply in the case of retirement benefits schemes approved before the first appointed day with such exceptions, exclusions and modifications as may be so prescribed.
- (11) Regulations under sub-paragraph (10) above may include such incidental, supplemental, consequential and transitional provision as the Board think appropriate.

Subordinate Legislation Made

- P1** [Sch. 10 para. 18\(1\)](#) power fully exercised: 10.5.2000 appointed as first appointed day by [S.I. 2000/1093, art. 2\(a\)](#); 1.12.2000 appointed as second appointed day by [S.I. 2000/1093, art. 2\(b\)](#)

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

SCHEDULE 11

Section 93.

COMPANY TAX RETURNS, ETC: MINOR AND CONSEQUENTIAL AMENDMENTS

Income and Corporation Taxes Act 1988 (c. 1)

- 1 Section 411A of the Taxes Act 1988 (group relief in substitution for loss relief) shall cease to have effect.
- 2 In section 588(5) of the ^{M31}Taxes Act 1988 (tax treatment of training courses provided for employees), after “Management Act” insert “, or paragraph 41 of Schedule 18 to the Finance Act 1998,”.

Marginal Citations

M31 1998 c.36.

Finance Act 1989 (c. 26)

- 3 In section 102(6) of the ^{M32}Finance Act 1989 (surrender of company tax refund within group), for “section 94(6) of the Taxes Management Act 1970” substitute “paragraph 18 of Schedule 18 to the Finance Act 1998”.

Marginal Citations

M32 1970 c.9.

Capital Allowances Act 1990 (c. 1)

^{F3}4

Textual Amendments

F3 Sch. 11 para. 4 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, Sch. 4

^{F4}5

Textual Amendments

F4 Sch. 11 para. 5 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, Sch. 4

^{F5}6

Textual Amendments

F5 Sch. 11 para. 6 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, Sch. 4

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

F67

Textual Amendments

F6 Sch. 11 para. 7 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, Sch. 4

Finance Act 1994 (c. 9)

F78

Textual Amendments

F7 Sch. 11 para. 8 repealed (22.3.2001 with effect as mentioned in s. 579(1) of the amending Act) by 2001 c. 2, s. 580, Sch. 4

Finance Act 1998 (c. 36)

- 9 In paragraph 94 of Schedule 18 to the Finance Act 1998 (company tax returns etc: election to take appeal to Special Commissioners)—
- (a) in sub-paragraph (4) for “merits or the appeal” substitute “ merits of the appeal ”; and
 - (b) in sub-paragraph (5) for “before the giving” substitute “ after the giving ”.

SCHEDULE 12

Section 109(3).

STAMP DUTY: INTEREST AND PENALTIES ON LATE STAMPING

Stamp Act 1891 (c.39)

- 1 For section 12 of the Stamp Act 1891 (assessment of duty by Commissioners) substitute—

“12 Adjudication by Commissioners.

- (1) Subject to such regulations as the Commissioners may think fit to make, the Commissioners may be required by any person to adjudicate with reference to any executed instrument upon the questions—
 - (a) whether it is chargeable with duty;
 - (b) with what amount of duty it is chargeable;
 - (c) whether any penalty is payable under section 15B (penalty on late stamping);
 - (d) what penalty is in their opinion correct and appropriate.
- (2) The Commissioners may require to be furnished with an abstract of the instrument and with such evidence as they may require as to the facts and circumstances relevant to those questions.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (3) The Commissioners shall give notice of their decision upon those questions to the person by whom the adjudication was required.
- (4) If the Commissioners decide that the instrument is not chargeable with any duty, it may be stamped with a particular stamp denoting that it has been the subject of adjudication and is not chargeable with any duty.
- (5) If the Commissioners decide that the instrument is chargeable with duty and assess the amount of duty chargeable, the instrument when stamped in accordance with their decision may be stamped with a particular stamp denoting that it has been the subject of adjudication and is duly stamped.
- (6) Every instrument stamped in accordance with subsection (4) or (5) shall be admissible in evidence and available for all purposes notwithstanding any objection relating to duty.

12A Adjudication: supplementary provisions.

- (1) An instrument which has been the subject of adjudication by the Commissioners under section 12 shall not, if it is unstamped or insufficiently stamped, be stamped otherwise than in accordance with the Commissioners' decision on the adjudication.
- (2) If without reasonable excuse any such instrument is not duly stamped within 30 days after the date on which the Commissioners gave notice of their decision, or such longer period as the Commissioners may allow, the person by whom the adjudication was required is liable to a penalty not exceeding £300.
- (3) A statutory declaration made for the purposes of section 12 shall not be used against the person making it in any proceedings whatever, except in an inquiry as to the duty with which the instrument to which it relates is chargeable or as to the penalty payable on stamping that instrument.
- (4) Every person by whom any such declaration is made shall, on payment of the duty chargeable upon the instrument to which it relates, and any interest or penalty payable on stamping, be relieved from any penalty to which he may be liable by reason of the omission to state truly in the instrument any fact or circumstance required by this Act to be so stated."

2 For section 13 of the Stamp Act 1891 (appeal against assessment of duty) substitute—

"13 Appeal against Commissioners' decision on adjudication.

- (1) A person who is dissatisfied with a decision of the Commissioners on an adjudication under section 12 may appeal against it.
- (2) The appeal must be brought within 30 days of notice of the decision on the adjudication being given under section 12(3).
- (3) An appeal may only be brought on payment of—
 - (a) duty and any penalty in conformity with the Commissioners' decision, and

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (b) any interest that in conformity with that decision would be payable on stamping the instrument on the day on which the appeal is brought.
- (4) An appeal which relates only to the penalty payable on late stamping may be brought to the Special Commissioners in accordance with section 13A below.
- (5) Any other appeal may be brought in accordance with section 13B below to the High Court of the part of the United Kingdom in which the case has arisen.

13A Appeal to the Special Commissioners.

- (1) The following provisions apply in relation to an appeal under section 13(4).
- (2) Notice of appeal must be given in writing to the Commissioners, specifying the grounds of appeal.
- (3) On the hearing of the appeal the Special Commissioners may allow the appellant to put forward a ground not specified in the notice of appeal, and take it into consideration, if satisfied that the omission was not wilful or unreasonable.
- (4) The powers conferred by sections 46A(1)(c) and (2) to (4) and sections 56B to 56D of the Taxes Management Act 1970 (power of Lord Chancellor to make regulations as to jurisdiction, practice and procedure in relation to appeals) are exercisable in relation to appeals to which this section applies.
- (5) On the appeal the Special Commissioners may—
 - (a) if it appears to them that no penalty should be paid, set the decision aside;
 - (b) if the amount determined appears to them to be appropriate, confirm the decision;
 - (c) if the amount determined appears to them to be excessive, reduce it to such other amount (including nil) as they consider appropriate;
 - (d) if the amount determined appears to them to be insufficient, increase it to such amount as they consider appropriate.
- (6) Section 56A of the Taxes Management Act 1970 (general right of appeal on point of law) applies in relation to a decision of the Special Commissioners under this section.
- (7) Without prejudice to that right of appeal, an appeal lies against the amount of a penalty determined by the Special Commissioners under this section, at the instance of the person liable to the penalty, to the High Court.
- (8) On an appeal under subsection (7) the court has the same powers as are conferred on the Special Commissioners by subsection (5) above.

13B Appeal to the High Court.

- (1) The following provisions apply in relation to an appeal under section 13(5).

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (2) The appellant may for the purposes of the appeal require the Commissioners to state and sign a case setting out the questions upon which they were required to adjudicate and their decision upon them.
 - (3) The Commissioners shall thereupon state and sign a case and deliver the same to the person by whom it is required, and the case may, within 30 days thereafter, be set down by him for hearing.
 - (4) On the appeal the court shall determine the questions submitted and may give such directions as it thinks fit with respect to the repayment of any duty or penalty paid in conformity with the Commissioners' decision."
- 3 (1) Section 14 of the Stamp Act 1891 (terms upon which instruments not duly stamped may be received in evidence) is amended as follows.
- (2) In subsection (1)—
 - (a) for the words from “if the instrument” to “it may” substitute “ the instrument may ”, and
 - (b) for “the penalty” substitute “ any interest or penalty ”.
 - (3) In subsection (2) for “the duty and penalty” (three times) substitute “ the duty and any interest or penalty ”.
 - (4) In subsection (3)—
 - (a) for “any duty or penalty” substitute “ any duty, interest or penalty ”, and
 - (b) for “the duty and penalty” substitute “ the duty, interest and penalty ”.
 - (5) In subsection (4) for “first executed” substitute “ executed ”.

Finance Act 1994 (c.9)

- 4 For section 240 of the Finance Act 1994 (time for presenting agreements for leases) substitute—

“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.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (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.

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
 - (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.”

SCHEDULE 13

Section 112(3).

STAMP DUTY: INSTRUMENTS CHARGEABLE AND RATES OF DUTY

PART I

CONVEYANCE OR TRANSFER ON SALE

Modifications etc. (not altering text)

- C3** Sch. 13 Pt. I excluded (28.7.2000 with effect as mentioned in s. 130(10) of the amending Act) by 2000 c. 17, s. 130(1)(10)
- C4** Sch. 13 Pt. I modified (*retrospective* to 28.3.2000 and with effect as mentioned in s. 118(10)(11) of the amending Act) by 2000 c. 17, s. 118 (with s. 118(9))
- Sch. 13 Pt. I modified (*retrospective* to 28.3.2000 and with effect as mentioned in s. 119(11)(12) of the amending Act) by 2000 c. 17, s. 119 (with s. 120)
- Sch. 13 Pt. I modified (*retrospective* to 28.3.2000 and with effect as mentioned in s. 122(8)(9) of the amending Act) by 2000 c. 17, s. 122
- Sch. 13 Pt. I amended (11.5.2001 with effect as mentioned in s. 92(8) of the amending Act) by 2001 c. 9, s. 92, Sch. 30 para. 1(1); S.I. 2001/3748, art. 2
- Sch. 13 Pt. I excluded (11.5.2001 with effect as mentioned in s. 92(8) of the amending Act) by 2001 c. 9, s. 92(1); S.I. 2001/3748, art. 2

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Charge

- 1 (1) Stamp duty is chargeable on a conveyance or transfer on sale.
- (2) For this purpose “conveyance on sale” includes every instrument, and every decree or order of a court or commissioners, by which any property, or any estate or interest in property, is, on being sold, transferred to or vested in the purchaser or another person on behalf of or at the direction of the purchaser.

Rates of duty

- 2 Duty under this Part is chargeable by reference to the amount or value of the consideration for the sale.
- 3 In the case of a conveyance or transfer of stock or marketable securities the rate is 0.5%.
- 4 In the case of any other conveyance or transfer on sale the rates of duty are as follows—

1.	Where the amount or value of the consideration is £60,000 or under and the instrument is certified at £60,000	Nil
2.	Where the amount or value of the consideration is £250,000 or under and the instrument is certified at £250,000	1%
3.	Where the amount or value of the consideration is £500,000 or under and the instrument is certified at £500,000	[^{F8} 3%]
4.	Any other case	[^{F9} 4%]

Textual Amendments

- F8** Sch. 13 para. 4: figure in fourth entry substituted (*retrospective* to 28.3.2000 and with effect as mentioned in [s. 114\(2\)\(3\)](#) of the amending Act) by 2000 c. 17, s. 114(1)(b)(2)-(4)
- F9** Sch. 13 para. 4: figure in third entry substituted (*retrospective* to 28.3.2000 and with effect as mentioned in [s. 114\(2\)\(3\)](#) of the amending Act) by 2000 c. 17, s. 114(1)(a)(2)-(4)

- 5 The above provisions are subject to any enactment setting a different rate or setting an upper limit on the amount of duty chargeable.

Meaning of instrument being certified at an amount

- 6 (1) The references in paragraph 4 above to an instrument being certified at a particular amount mean that it contains a statement that the transaction effected by the instrument does not form part of a larger transaction or series of transactions

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

in respect of which the amount or value, or aggregate amount or value, of the consideration exceeds that amount.

(2) For this purpose a sale or contract or agreement for the sale of goods, wares or merchandise shall be disregarded—

- (a) in the case of an instrument which is not an actual conveyance or transfer of the goods, wares or merchandise (with or without other property);
- (b) in the case of an instrument treated as such a conveyance or transfer only by virtue of paragraph 7 (contracts or agreements chargeable as conveyances on sale);

and any statement as mentioned in sub-paragraph (1) shall be construed as leaving out of account any matter which is to be so disregarded.

Modifications etc. (not altering text)

- C5** Sch. 13 para. 6 modified (*retrospective* to 28.3.2000 and with effect as mentioned in s. 129(5) and Sch. 34 para. 4(3) of the amending Act) by 2000 c. 17, s. 129(3)(5), **Sch. 34 para. 4(1)(3)** (with s. 129(4))
 Sch. 13 para. 6 modified (11.5.2001 with effect as mentioned in s. 92(8) of the amending Act) by 2001 c. 9, s. 92, **Sch. 30 para. 3(1)**; S.I. 2001/3748, **art. 2**
 Sch. 13 para. 6 modified (*retrospective* to 24.7.2002 with application as mentioned in Sch. 37 para. 3(3) of the amending act) by 2002 c. 23, s. 116(2)(4)(5), **Sch. 37, para. 3**
- C6** Sch. 13 para. 6(1) restricted (27.7.1999 with effect as mentioned in s. 112(6) of 1999 c. 16) by 1991 c. 31, s. **113(1)** (as inserted (27.7.1999 with effect as mentioned in s. 112(6) of the amending Act) by 1999 c. 16, ss. 112(4), 122, **Sch. 14 para. 27**)

Contracts or agreements chargeable as conveyances on sale

- 7 (1) A contract or agreement for the sale of—
- (a) any equitable estate or interest in property, or
 - (b) any estate or interest in property except—
 - (i) land,
 - (ii) goods, wares or merchandise,
 - (iii) stock or marketable securities,
 - (iv) any ship or vessel, or a part interest, share or property of or in any ship or vessel, or
 - (v) property of any description situated outside the United Kingdom,
 is chargeable with the same *ad valorem* duty, to be paid by the purchaser, as if it were an actual conveyance on sale of the estate, interest or property contracted or agreed to be sold.
- (2) Where the purchaser has paid *ad valorem* duty and before having obtained a conveyance or transfer of the property enters into a contract or agreement for the sale of the same, the contract or agreement is chargeable, if the consideration for that sale is in excess of the consideration for the original sale, with the *ad valorem* duty payable in respect of the excess consideration but is not otherwise chargeable.
- (3) Where duty has been paid in conformity with sub-paragraphs (1) and (2), the conveyance or transfer to the purchaser or sub-purchaser, or any other person on his behalf or by his direction, is not chargeable with any duty.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (4) In that case, upon application and upon production of the contract or agreement (or contracts or agreements) duly stamped, the Commissioners shall either—
- (a) denote the payment of the *ad valorem* duty upon the conveyance or transfer, or
 - (b) transfer the *ad valorem* duty to the conveyance or transfer.

Modifications etc. (not altering text)

C7 Sch. 13 Pt. I paras. 7-9 modified (28.11.2001) by S.I. 2001/3746, art. 7(1)(a)

- 8 (1) Where a contract or agreement would apart from paragraph 7 not be chargeable with any duty and a conveyance or transfer made in conformity with the contract or agreement is presented to the Commissioners for stamping with the *ad valorem* duty chargeable on it—
- (a) within the period of six months after the execution of the contract or agreement, or
 - (b) within such longer period as the Commissioners may think reasonable in the circumstances of the case,
- the conveyance or transfer shall be stamped accordingly, and both it and the contract or agreement shall be deemed to be duly stamped.
- (2) Nothing in this paragraph affects the provisions as to the stamping of a conveyance or transfer after execution.

Modifications etc. (not altering text)

C8 Sch. 13 Pt. I paras. 7-9 modified (28.11.2001) by S.I. 2001/3746, art. 7(1)(a)

- 9 The *ad valorem* duty paid upon a contract or agreement by virtue of paragraph 7 shall be repaid by the Commissioners if the contract or agreement is afterwards rescinded or annulled or is for any other reason not substantially performed or carried into effect so as to operate as or be followed by a conveyance or transfer.

Modifications etc. (not altering text)

C9 Sch. 13 Pt. I paras. 7-9 modified (28.11.2001) by S.I. 2001/3746, art. 7(1)(a)

PART II

LEASE

Modifications etc. (not altering text)

C10 Sch. 13 Pt. II excluded (28.7.2000 with effect as mentioned in s. 130(10) of the amending Act) by 2000 c. 17, s. 130(1)(10)

C11 Sch. 13 Pt. II modified (*retrospective* to 28.3.2000 and with effect as mentioned in s. 121(10)(11) of the amending Act) by 2000 c. 17, s. 121(2)(10)-(12)

Sch. 13 Pt. II amended (11.5.2001 with effect as mentioned in s. 92(8) of the amending Act) by 2001 c. 9, s. 92, Sch. 30 para. 1(1); S.I. 2001/3748, art. 2

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Sch. 13 Pt. II excluded (11.5.2001 with effect as mentioned in s. 92(8) of the amending Act) by 2001 c. 9, s. 92(1); S.I. 2001/3748, art. 2

Charge

- 10 Stamp duty is chargeable on a lease.

Rates of duty

- 11 In the case of a lease for a definite term less than a year the duty is as follows—

1.	Lease of furnished dwelling-house or apartments where the rent for the term exceeds [F10£5000]	£5
2.	Any other lease of land	The same duty as for a lease for a year at the rent reserved for the definite term

Textual Amendments

F10 Sch. 13 para. 11 table: figure in para. 1 substituted (*retrospective* to 28.3.2000 and with effect as mentioned in s. 115(2) of the amending Act) by 2000 c. 17, s. 115(1)(a)(2)(3)

- 12 (1) In the case of a lease of land for any other definite term, or for an indefinite term, the duty is determined as follows.
- (2) If the consideration or part of the consideration moving to the lessor or to any other person consists of any money, stock, security or other property, the duty in respect of that consideration is the same as that on a conveyance on a sale for the same consideration.
- But if—
- (a) part of the consideration is rent, and
 - (b) that rent exceeds £600 a year,
- the duty is calculated as if paragraph 1 of the Table in paragraph 4 of this Schedule were omitted.
- (3) If the consideration or part of the consideration is rent, the duty in respect of that consideration is determined by reference to the rate or average rate of the rent (whether reserved as a yearly rent or not), as follows.

1.	Term [F11not more than 7 years] or indefinite—	Nil 1%
	(a) if the rent is [F12£5000] or less	
	(b) if the rent is more than [F12£5000]	

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

2.	Term more than 7 years but not more than 35 years	2%
3.	Term more than 35 years but not more than 100 years	12%
4.	Term more than 100 years	24%

Textual Amendments

- F11** Sch. 13 para. 12(3) table: words in para. 1 substituted (*retrospective* to 28.3.2000 and with effect as mentioned in s. 116(2) of the amending Act) by 2000 c. 17, s. 116
- F12** Sch. 13 para. 12(3) table: figure in para. 1(a)(b) substituted (*retrospective* to 28.3.2000 and with effect as mentioned in s. 115(2) of the amending Act) by 2000 c. 17, s. 115(1)(b)(2)(3)

13 Stamp duty of £5 is chargeable on a lease not within paragraph 11 or 12 above.

Agreement for a lease charged as a lease

- 14 (1) An agreement for a lease is chargeable with the same duty as if it were an actual lease made for the term and consideration mentioned in the agreement.
- (2) Where duty has been duly paid on an agreement for a lease and subsequent to that agreement a lease is granted which either—
- (a) is in conformity with the agreement, or
 - (b) relates to substantially the same property and term as the agreement,
- the duty which would otherwise be charged on the lease is reduced by the amount of the duty paid on the agreement.
- (3) Sub-paragraph (1) does not apply to missives of let in Scotland that constitute an actual lease.

Subject to that, references in this paragraph to an agreement for a lease include missives of let in Scotland.

Modifications etc. (not altering text)

- C12** Sch. 13 Pt. II para. 14 modified (28.11.2001) by S.I. 2001/3746, art. 7(1)(b)

Lease for fixed term and then until determined

- 15 (1) For the purposes of this Part a lease granted for a fixed term and thereafter until determined is treated as a lease for a definite term equal to the fixed term together with such further period as must elapse before the earliest date at which the lease can be determined.
- (2) Paragraph 14 (agreement for a lease charged as a lease) shall be construed accordingly.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Modifications etc. (not altering text)

C13 Sch. 13 Pt. II para. 15 modified (28.11.2001) by S.I. 2001/3746, art. 7(1)(b)

PART III

OTHER INSTRUMENTS

Conveyance or transfer otherwise than on sale

- 16 (1) Stamp duty of £5 is chargeable on a conveyance or transfer of property otherwise than on sale.
- (2) In sub-paragraph (1) “conveyance or transfer” includes every instrument, and every decree or order of a court or commissioners, by which any property is transferred to or vested in any person.

Modifications etc. (not altering text)

C14 Sch. 13 Pt. III para. 16 excluded (28.7.2000 with effect as mentioned in s. 130(10) of the amending Act) by 2000 c. 17, s. 130(1)(10)

Sch. 13 Pt. III para. 16 excluded (11.5.2001 with effect as mentioned in s. 92(8) of the amending Act) by 2001 c. 9, s. 92(1); S.I. 2001/3748, art. 2

Sch. 13 Pt. III para. 16 amended (11.5.2001 with effect as mentioned in s. 92(8) of the amending Act) by 2001 c. 9, s. 92, Sch. 30 para. 1(1); S.I. 2001/3748, art. 2

Declaration of use or trust

- 17 (1) Stamp duty of £5 is chargeable on a declaration of any use or trust of or concerning property unless the instrument constitutes a conveyance or transfer on sale.
- (2) This does not apply to a will.

Dispositions in Scotland

- 18 (1) The following are chargeable with duty as a conveyance on sale—
- (a) a disposition of heritable property in Scotland to singular successors or purchasers;
 - (b) a disposition of heritable property in Scotland to a purchaser containing a clause declaring all or any part of the purchase money a real burden upon, or affecting, the heritable property thereby disposed, or any part of it;
 - (c) a disposition in Scotland containing constitution of feu or ground annual right.
- (2) A disposition in Scotland of any property, or any right or interest in property, that is not so chargeable is chargeable with stamp duty of £5.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Duplicate or counterpart

- 19 (1) A duplicate or counterpart of an instrument chargeable with duty is chargeable with duty of £5.
- (2) The duplicate or counterpart of an instrument chargeable with duty is not duly stamped unless—
- (a) it is stamped as an original instrument, or
 - (b) it appears by some stamp impressed on it that the full and proper duty has been paid on the original instrument of which it is the duplicate or counterpart.
- (3) Sub-paragraph (2) does not apply to the counterpart of an instrument chargeable as a lease, if that counterpart is not executed by or on behalf of any lessor or grantor.

Instrument increasing rent

- 20 (1) An instrument (not itself a lease)—
- (a) by which it is agreed that the rent reserved by a lease should be increased, or
 - (b) which confirms or records any such agreement made otherwise than in writing,
- is chargeable with the same duty as if it were a lease in consideration of the additional rent made payable by it.
- (2) Sub-paragraph (1) does not apply to an instrument giving effect to provision in the lease for periodic review of the rent reserved by it.

Partition or division

- 21 (1) Where on the partition or division of an estate or interest in land consideration exceeding £100 in amount or value is paid or given, or agreed to be paid or given, for equality, the principal or only instrument by which the partition or division is effected is chargeable with the same ad valorem duty as a conveyance on sale for the consideration, and with that duty only.
- (2) Where there are several instruments for completing the title of either party, the principal instrument is to be ascertained, and the other instruments shall be charged with duty, as provided by sections 58(3) and 61 of the ^{M33}Stamp Act 1891 in the case of several instruments of conveyance.
- (3) Stamp duty of £5 is chargeable on an instrument effecting a partition or division to which the above provisions do not apply.

Marginal Citations

M33 1891 c.39.

Release or renunciation

- 22 Stamp duty of £5 is chargeable on a release or renunciation of property unless the instrument constitutes a conveyance or transfer on sale.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Surrender

- 23 Stamp duty of £5 is chargeable on a surrender of property unless the instrument constitutes a conveyance or transfer on sale.

PART IV

GENERAL EXEMPTIONS

- 24 The following are exempt from stamp duty under this Schedule—
- (a) transfers of shares in the government or parliamentary stocks or funds or strips (within the meaning of section 47 of the ^{M34}Finance Act 1942) of such stocks or funds;
 - (b) instruments for the sale, transfer, or other disposition (absolutely or otherwise) of any ship or vessel, or any part, interest, share or property of or in a ship or vessel;
 - (c) testaments, testamentary instruments and dispositions *mortis causa* in Scotland;
 - (d) renounceable letters of allotment, letters of rights or other similar instruments where the rights under the letter or other instrument are renounceable not later than six months after its issue.

Marginal Citations

M34 1942 c.21.

- 25 Stamp duty is not chargeable under this Schedule on any description of instrument in respect of which duty was abolished by—
- (a) section 64 of the ^{M35}Finance Act 1971 or section 5 of the ^{M36}Finance Act (Northern Ireland) 1971 (abolition of duty on mortgages, bonds, debentures etc.), or
 - (b) section 173 of the ^{M37}Finance Act 1989 (life insurance policies and superannuation annuities).

Marginal Citations

M35 1971 c.68.

M36 1971 c.27(N.I.).

M37 1989 c.26.

- 26 Nothing in this Schedule affects any other enactment conferring exemption or relief from stamp duty.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

SCHEDULE 14

Section 112(4).

STAMP DUTY: AMENDMENTS CONSEQUENTIAL ON SECTION 112

General amendments

- 1 (1) Any reference (express or implied) in any enactment, instrument or other document to any of the headings in Schedule 1 to the ^{M38}Stamp Act 1891 (other than the heading “Bearer Instrument”) shall be construed, so far as is required for continuing its effect, as being or, as the case may require, including a reference to the corresponding provision of Schedule 13 to this Act.
- (2) Sub-paragraph (1)—
- (a) has effect subject to any express amendment made by this Act, and
 - (b) is without prejudice to the general application of section 17(2) of the ^{M39}Interpretation Act 1978 (general effect of repeal and re-enactment).

Marginal Citations

M38 1891 c.39.

M39 1978 c.30.

- 2 In the enactments relating to stamp duty for “lease or tack”, wherever occurring, substitute “ lease ”.

Finance Act 1930 (c.28)

- 3 In section 42(1) of the Finance Act 1930 (relief from transfer duty in case of transfer between associated companies) for “the heading “Conveyance or Transfer on Sale” in the First Schedule to the Stamp Act 1891” substitute “ Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.

Finance Act (Northern Ireland) 1954 (c.23 (N.I.))

- 4 In section 11(1) of the Finance Act (Northern Ireland) 1954 (relief from transfer duty in case of transfer between associated companies) for “the heading “Conveyance or Transfer on sale” in the First Schedule to the Stamp Act 1891” substitute “ Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.

Finance Act 1970 (c.24)

- 5 In section 33(1) of the Finance Act 1970 (composition by stock exchange in respect of transfer duty), for the words from “the heading” to “1891” substitute “ Part I or paragraph 16 of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale or otherwise) ”.

Finance Act 1980 (c.48)

- 6 In section 97(1) of the Finance Act 1980 (shared ownership transactions)—
- (a) for “the heading “Lease or Tack” in Schedule 1 to the Stamp Act 1891” substitute “ Part II of Schedule 13 to the Finance Act 1999 (lease) ”; and

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (b) for “the heading “Conveyance or Transfer on Sale” in that Schedule” substitute “ Part I of that Schedule (conveyance or transfer on sale) ”.

Finance Act 1982 (c.39)

- 7 In section 129(1) of the Finance Act 1982 (exemption from duty on grants, transfers to charities, etc.) for the words from “by virtue of any of the following headings” to ““Lease or Tack”,” substitute “ under Part I or II, or paragraph 16, of Schedule 13 to the Finance Act 1999 ”.

Finance Act 1985 (c.54)

- 8 (1) Section 81 of the Finance Act 1985 (renounceable letters of allotment, etc.) is amended as follows.

- (2) For subsection (2) substitute—

“(2) The instrument shall not be exempt by virtue of paragraph 24(d) of Schedule 13 to the Finance Act 1999 (renounceable letters of allotment, etc.) from stamp duty under or by reference to Part I of that Schedule (conveyance or transfer on sale).”.

- (3) In subsection (3) for the words from “section 126(1)” to “126(2) or (3)” substitute “ section 79(4) of the Finance Act 1986 does not apply by virtue of section 79(5) or (6) ”.

- 9 In section 82(5) of the Finance Act 1985 for “the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891” substitute “ Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.

- 10 In section 83 of the Finance Act 1985 (duty on transfers in connection with divorce etc.)—

- (a) in subsection (1) for “the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891” substitute “ Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”;
- (b) in subsection (2) for “50p” substitute “ £5 ”.

- 11 In section 84 of the Finance Act 1985 (duty on instruments varying dispositions on death etc.)—

- (a) in subsection (1) for “the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891” substitute “ Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”;
- (b) in subsection (8) for “50p” substitute “ £5 ”.

Finance Act 1986 (c.41)

- 12 (1) Section 67 of the Finance Act 1986 (depository receipts) is amended as follows.

- (2) For subsections (2) and (3) substitute—

“(2) If stamp duty is chargeable on the instrument under Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale), the rate at which that duty is chargeable is 1.5% of the amount or value of the consideration for the sale to which the instrument gives effect.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (3) If stamp duty is chargeable on the instrument under paragraph 16 of Schedule 13 to the Finance Act 1999 (conveyance or transfer otherwise than on sale), then, subject to subsection (5), the rate at which that duty is chargeable is 1.5% of the value of the securities at the date the instrument is executed.”
- (3) In subsection (9) (duty on transfers between one depositary company and another) for “maximum stamp duty chargeable on the instrument shall be 50p” substitute “stamp duty chargeable on the instrument is £5 ”.
- 13 (1) Section 70 of the Finance Act 1986 (clearance services) is amended as follows.
- (2) For subsections (2) and (3) substitute—
- “(2) If stamp duty is chargeable on the instrument under Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale), the rate at which that duty is chargeable is 1.5% of the amount or value of the consideration for the sale to which the instrument gives effect.
- (3) If stamp duty is chargeable on the instrument under paragraph 16 of Schedule 13 to the Finance Act 1999 (conveyance or transfer otherwise than on sale), then, subject to subsection (5), the rate at which that duty is chargeable is 1.5% of the value of the securities at the date the instrument is executed.”.
- (3) In subsection (9) (duty on transfers between one clearance service company and another) for “maximum stamp duty chargeable on the instrument shall be 50p” substitute “stamp duty chargeable on the instrument is £5 ”.
- 14 In section 75(2) of the Finance Act 1986 (acquisitions: further provisions about reliefs) for “the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891” substitute “Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.
- 15 (1) Section 76 of the Finance Act 1986 (relief from stamp duty on company acquisition) is amended as follows.
- (2) In subsection (2) for “the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891” substitute “Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.
- (3) In subsection (4) (limit on rate of duty), for “the rate of 50p for every £100 or part of £100” substitute “0.5% ”.
- 16 In section 77(1) of the Finance Act 1986 (acquisition of target company’s share capital) for “the heading ‘Conveyance or Transfer on Sale’ in Schedule 1 to the Stamp Act 1891” substitute “Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.
- 17 In section 79 of the Finance Act 1986 (loan capital: new provisions), for subsection (8) substitute—
- “(8) Where stamp duty is chargeable under Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) on an instrument which transfers loan capital, the rate at which duty is charged under that Part shall be 0.5% of the amount or value of the consideration for the sale to which the instrument gives effect.”.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- 18 In section 80B(7) of the Finance Act 1986 (intermediaries: power of Treasury to specify rate of duty), for “10p for every £100 or part of £100” substitute “ 0.1% ”.
- 19 In section 80C(8) of the Finance Act 1986 (repos and stock lending: power of Treasury to specify rate of duty), for “10p for every £100 or part of £100” substitute “ 0.1% ”.
- 20 (1) Section 88 of the Finance Act 1986 (stamp duty reserve tax: special cases) is amended as follows.
- (2) In subsection (1) for paragraphs (aa) and (ab) substitute—
“(aa) paragraph 24(d) of Schedule 13 to the Finance Act 1999 (renounceable letters of allotment etc.),”.
- (3) In subsection (1A)(b) for “50p” substitute “ £5 ”.

Finance Act 1987 (c.16)

- 21 In section 50(1) of the Finance Act 1987 (warrants to purchase government stock etc.), for the words from “either of the following headings” to the end substitute “ Part I, or paragraph 16, of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale or otherwise) ”.
- 22 In section 55(1) of the Finance Act 1987 (Crown exemption), for the words from “by virtue of any of the following headings” to “ “Lease or Tack”,” substitute “ under Part I or II, or paragraph 16, of Schedule 13 to the Finance Act 1999 ”.

Finance Act 1989 (c.26)

- 23 In section 175(1) of the Finance Act 1989 (stock exchange nominees: power to exclude double charge), in paragraph (a) (circumstances in which power exercisable) for “the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891” substitute “ Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.

National Health Service and Community Care Act 1990 (c.19)

- 24 In section 61(3) of the National Health Service and Community Care Act 1990 for the words from “by virtue of any of the following headings” to “ “Lease or Tack”,” substitute “ under Part I or II, or paragraph 16, of Schedule 13 to the Finance Act 1999 ”.

Finance Act 1991 (c.31)

- 25 In section 110 of the Finance Act 1991 (stamp duty to be abolished in certain cases), for subsections (1) to (4) substitute—
“(1) Where apart from this section stamp duty under any of the provisions of Schedule 13 to the Finance Act 1999 would be chargeable on an instrument, stamp duty shall not be so chargeable if the property consists entirely of exempt property.”.
- 26 In section 111(1) of the Finance Act 1991 (stamp duty to be reduced in certain cases) for “the heading “conveyance or transfer on sale” in Schedule 1 to the Stamp Act 1891” substitute “ Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

27 In section 113 of the Finance Act 1991 (certification of instruments for stamp duty purposes), for subsections (1) to (3) substitute—

“(1) For the purposes of paragraph 6(1) of Schedule 13 to the Finance Act 1999 (meaning of instrument being certified at an amount)—

- (a) a sale or contract or agreement for the sale of exempt property within the meaning of section 110 above shall be disregarded; and
- (b) any statement as mentioned in that provision shall be construed as leaving out of account any matter which is to be so disregarded.”.

Finance Act 1993 (c.34)

28 (1) Section 202 of the Finance Act 1993 (rent to mortgage: England and Wales) is amended as follows.

(2) In subsection (2) for “the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891” substitute “ Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.

(3) In subsection (4)(a)—

- (a) for “the heading ‘Lease or Tack’ in Schedule 1 to the Stamp Act 1891” substitute “ Part II of Schedule 13 to the Finance Act 1999 (lease) ”; and
- (b) for “the heading ‘Conveyance or Transfer on Sale’ in that Schedule” substitute “ Part I of that Schedule (conveyance or transfer on sale) ”.

(4) In subsection (4)(b) for “the heading ‘Conveyance or Transfer on Sale’” substitute “ Part I of that Schedule ”.

29 In section 203(2) of the Finance Act 1993 (rent to loan: Scotland), for “the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891” substitute “ Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.

Finance Act 1994 (c.9)

30 In section 241(1) of the Finance Act 1994 (consideration consisting of property)—

- (a) in paragraph (a) for “lease or tack” substitute “ lease ”;
- (b) in paragraph (b) for “the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891” substitute “ Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.

31 (1) Section 242 of the Finance Act 1994 (consideration not ascertainable from conveyance or lease) is amended as follows.

(2) In subsections (1) (twice), (2) and (3) (twice) for “lease or tack” substitute “ lease ”.

(3) In the opening words of subsection (1) for “the heading “Conveyance or Transfer on Sale” in Schedule 1 to the Stamp Act 1891” substitute “ Part I of Schedule 13 to the Finance Act 1999 (conveyance or transfer on sale) ”.

(4) In subsection (2) for “paragraph (3) of the heading “Lease or Tack” in Schedule 1 to that Act” substitute “ paragraph 12 of Schedule 13 to the Finance Act 1999 ”.

32 In section 243 of the Finance Act 1994 (agreements to surrender leases) for “any duty chargeable under the Stamp Act 1891” substitute “ stamp duty ”.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Finance Act 1995 (c.4)

- 33 In section 151 of the Finance Act 1995 (lease or tack: associated bodies)—
- (a) in subsection (1) for “the heading “Lease or Tack” in Schedule 1 to the Stamp Act 1891” substitute “ Part II of Schedule 13 to the Finance Act 1999 (lease) ”;
 - (b) in subsections (1) (twice), (2), (3) and (6) (four times) for “lease or tack” substitute “ lease ”.

SCHEDULE 15

Section 113(1).

STAMP DUTY: BEARER INSTRUMENTS

Modifications etc. (not altering text)

- C15** Sch. 15 modified (27.7.1999 with effect as mentioned in s. 113(4) of 1999 c. 16) by 1988 c. 39, s. 143(4) (a) (as inserted (27.7.1999 with effect as mentioned in s. 113(4) of the amending Act) by 1999 c. 16, s. 113(3), Sch. 16 para. 11)

PART I

CHARGING PROVISIONS

Charge on issue of instrument

- 1 (1) Stamp duty is chargeable—
- (a) on the issue of a bearer instrument in the United Kingdom, and
 - (b) on the issue of a bearer instrument outside the United Kingdom by or on behalf of a UK company.
- (2) This is subject to the exemptions in Part II of this Schedule.

Modifications etc. (not altering text)

- C16** Sch. 15 para. 1 restricted (27.7.1999 with effect as mentioned in s. 113(4) of 1999 c. 16) by 1988 c. 39, s. 143(2) (as inserted (27.7.1999 with effect as mentioned in s. 113(4) of the amending Act) by 1999 c. 16, s. 113(3), Sch. 16, para. 11(2))

Charge on transfer of stock by means of instrument

- 2 Stamp duty is chargeable on the transfer in the United Kingdom of the stock constituted by or transferable by means of a bearer instrument if duty was not chargeable under paragraph 1 on the issue of the instrument and—
- (a) duty would be chargeable under Part I of Schedule 13 (conveyance or transfer on sale) if the transfer were effected by an instrument other than a bearer instrument, or
 - (b) the stock constituted by or transferable by means of a bearer instrument consists of units under a unit trust scheme.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Meaning of “bearer instrument”

- 3 In this Schedule “bearer instrument” means—
- (a) a marketable security transferable by delivery;
 - (b) a share warrant or stock certificate to bearer or instrument to bearer (by whatever name called) having the like effect as such a warrant or certificate;
 - (c) a deposit certificate to bearer;
 - (d) any other instrument to bearer by means of which stock can be transferred;
or
 - (e) an instrument issued by a non-UK company that is a bearer instrument by usage.

Rates of duty

- 4 The duty chargeable under this Schedule is 1.5% of the market value of the stock constituted by or transferable by means of the instrument, unless paragraph 5 or 6 applies.
- 5 In the case of—
- (a) a deposit certificate in respect of stock of a single non-UK company, or
 - (b) an instrument issued by a non-UK company that is a bearer instrument by usage (and is not otherwise within the definition of “bearer instrument” in paragraph 3),
- the duty is 0.2% of the market value of the stock constituted by or transferable by means of the instrument.
- 6 In the case of an instrument given in substitution for a like instrument stamped ad valorem (whether under this Schedule or not) the duty is £5.

Ascertainment of market value

- 7 (1) For the purposes of duty under paragraph 1 (charge on issue of instrument) the market value of the stock constituted by or transferable by means of the instrument is ascertained as follows.
- (2) If the stock was offered for public subscription (whether in registered or in bearer form) within twelve months before the issue of the instrument, the market value shall be taken to be the amount subscribed for the stock.
- (3) In any other case the market value shall be taken to be—
- (a) the value of the stock on the first day within one month after the issue of the instrument on which stock of that description is dealt in on a stock exchange in the United Kingdom, or
 - (b) if stock of that description is not so dealt in, the value of the stock immediately after the issue of the instrument.
- 8 (1) For the purposes of duty under paragraph 2 (charge on transfer of stock by means of instrument) the market value of the stock constituted by or transferable by means of the instrument is ascertained as follows.
- (2) In the case of a transfer pursuant to a contract of sale, the market value shall be taken to be the value of the stock on the date when the contract is made.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (3) In any other case, the market value shall be taken to be the value of the stock on the day preceding that on which the instrument is presented to the Commissioners for stamping, or, if it is not so presented, on the date of the transfer.

Meaning of “deposit certificate”

- 9 In this Schedule a “deposit certificate” means an instrument acknowledging the deposit of stock and entitling the bearer to rights (whether expressed as units or otherwise) in or in relation to the stock deposited or equivalent stock.

Bearer instruments by usage

- 10 (1) In this Schedule a “bearer instrument by usage” means an instrument —
- (a) which is used for the purpose of transferring the right to stock, and
 - (b) delivery of which is treated by usage as sufficient for the purposes of a sale on the market, whether that delivery constitutes a legal transfer or not.
- (2) A bearer instrument by usage is treated—
- (a) as transferring the stock on delivery of the instrument, and
 - (b) as issued by the person by whom or on whose behalf it was first issued, whether or not it was then capable of being used for transferring the right to the stock without execution by the holder.

Meaning of “company”, “UK company” and “non-UK company”

- 11 In this Schedule—
- “company” includes any body of persons, corporate or unincorporate;
 - “UK company” means a company that is formed or established in the United Kingdom; and
 - “non-UK company” means a company that is not a UK company.

Meaning of “stock” and “transfer”

- 12 (1) In this Schedule “stock” includes securities.
- (2) References in this Schedule to stock include any interest in, or in any fraction of, stock or in any dividends or other rights arising out of stock and any right to an allotment of or to subscribe for stock.
- (3) In this Schedule “transfer” includes negotiation, and “transferable”, “transferred” and “transferring” shall be construed accordingly.

PART II

EXEMPTIONS

Foreign loan securities

- 13 Stamp duty is not chargeable on a bearer instrument issued outside the United Kingdom in respect of a loan which is expressed in a currency other than sterling and which is not—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (a) offered for subscription in the United Kingdom, or
- (b) offered for subscription with a view to an offer for sale in the United Kingdom of securities in respect of the loan.

Stock exempt from duty on transfer

- 14 Stamp duty is not chargeable under this Schedule on an instrument constituting, or used for transferring, stock (other than units in a unit trust) that is exempt from all stamp duties on transfer.

Instruments in respect of which duty previously abolished

- 15 Stamp duty is not chargeable under this Schedule on any description of instrument in respect of which duty was abolished by—
- (a) section 64 of the ^{M40}Finance Act 1971 or section 5 of the ^{M41}Finance Act (Northern Ireland) 1971 (abolition of duty on mortgages, bonds, debentures etc.), or
 - (b) section 173 of the ^{M42}Finance Act 1989 (life insurance policies and superannuation annuities).

Marginal Citations

M40 1971 c.68.

M41 1971 c.27(N.I).

M42 1989 c.26.

Renounceable letters of allotment

- 16 Stamp duty is not chargeable under this Schedule on renounceable letters of allotment, letters of rights or other similar instruments where the rights under the letter or other instrument are renounceable not later than six months after its issue.

Instruments relating to non-sterling stock

- 17 (1) Stamp duty is not chargeable under this Schedule on the issue of an instrument which relates to stock expressed—
- (a) in a currency other than sterling, or
 - (b) in units of account defined by reference to more than one currency (whether or not including sterling),
- or on the transfer of the stock constituted by or transferable by means of any such instrument.
- (2) Where the stock to which the instrument relates consists of a loan for the repayment of which there is an option between sterling and one or more other currencies, subparagraph (1) applies if the option is exercisable only by the holder of the stock and does not apply in any other case.
- 18 Where the capital stock of a company is not expressed in terms of any currency, it shall be treated for the purposes of paragraph 17 as expressed in the currency of the territory under the law of which the company is formed or established.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- 19 (1) A unit under a unit trust scheme or a share in a foreign mutual fund shall be treated for the purposes of paragraph 17 as capital stock of a company formed or established in the territory by the law of which the scheme or fund is governed.
- (2) A “foreign mutual fund” means a fund administered under arrangements governed by the law of a territory outside the United Kingdom under which subscribers to the fund are entitled to participate in, or receive payments by reference to, profits or income arising to the fund from the acquisition, holding, management or disposal of investments.
- (3) In relation to a foreign mutual fund “share” means the right of a subscriber, or of another in his right, to participate in or receive payments by reference to profits or income so arising.

Variation of original terms or conditions

- 20 Where a bearer instrument issued by or on behalf of a non-UK company in respect of a loan expressed in sterling—
- (a) has been stamped *ad valorem*, or
 - (b) has been stamped with duty under paragraph 6 above (fixed duty on instrument given in substitution for another instrument stamped *ad valorem*), or
 - (c) has been stamped with the denoting stamp referred to in paragraph 21(2)(b) below,
- duty is not chargeable under this Schedule by reason only that the instrument is amended on its face pursuant to an agreement for the variation of any of its original terms or conditions.

PART III

SUPPLEMENTARY PROVISIONS

Duty chargeable on issue of instrument

- 21 (1) This paragraph applies where duty is chargeable under paragraph 1 of this Schedule.
- (2) The instrument—
- (a) shall before being issued be produced to the Commissioners, together with such particulars in writing of the instrument as the Commissioners may require, and
 - (b) shall be deemed to be duly stamped if and only if it is stamped with a particular stamp denoting that it has been produced to the Commissioners.
- (3) Within six weeks of the date on which the instrument is issued, or such longer time as the Commissioners may allow, a statement in writing containing the date of the issue and such further particulars as the Commissioners may require in respect of the instrument shall be delivered to the Commissioners.
- (4) The duty chargeable in respect of the instrument shall be paid to the Commissioners on delivery of that statement or within such longer time as the Commissioners may allow.
- 22 (1) If default is made in complying with paragraph 21—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

(a) the person by whom or on whose behalf the instrument is issued, and
(b) any person who acts as the agent of that person for the purposes of the issue,
are each liable to a penalty not exceeding the aggregate of £300 and the duty chargeable.

- (2) Those persons are also jointly and severally liable to pay to Her Majesty—
(a) the duty chargeable, and
(b) interest on the unpaid duty from the date of the default until the duty is paid.

Duty chargeable on transfer of stock by means of instrument

- 23 (1) This paragraph applies where duty is chargeable under paragraph 2 of this Schedule.
- (2) Where the instrument is presented to the Commissioners for stamping—
(a) the person presenting it, and
(b) the owner of the instrument,
shall furnish to the Commissioners such particulars in writing as the Commissioners may require for determining the amount of duty chargeable.
- (3) If the instrument is not duly stamped each person who in the United Kingdom—
(a) transfers any stock by or by means of the instrument, or
(b) is concerned as broker or agent in any such transfer,
is liable to a penalty not exceeding the aggregate of £300 and the amount of duty chargeable.
- (4) Those persons are also jointly and severally liable to pay to Her Majesty—
(a) the duty chargeable, and
(b) interest on the unpaid duty from the date of the transfer in question until the duty is paid.

Supplementary provisions as to interest

- 24 (1) The following provisions apply to interest under paragraph 22(2) or 23(4).
- (2) If an amount is lodged with the Commissioners in respect of the duty, the amount on which interest is payable is reduced by that amount.
- (3) Interest is payable at the rate prescribed under section 178 of the ^{M43}Finance Act 1989 for the purposes of section 15A of the ^{M44}Stamp Act 1891 (interest on late stamping).
- (4) The amount of interest shall be rounded down (if necessary) to the nearest multiple of £5.
- No interest is payable if the amount is less than £25.
- (5) The interest shall be paid without any deduction of income tax and shall not be taken into account in computing income or profits for any tax purposes.

Marginal Citations

M43 1989 c.26.

M44 1891 c.39.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Penalty for false statement

- 25 A person who in furnishing particulars under this Part of this Schedule wilfully or negligently furnishes particulars that are false in any material respect is liable to a penalty not exceeding the aggregate of £300 and twice the amount by which the stamp duty chargeable exceeds that paid.
- 26 An instrument in respect of which duty is chargeable under paragraph 2 of this Schedule which—
- (a) has been stamped *ad valorem*, or
 - (b) has been stamped with a stamp indicating that it is chargeable with a fixed duty under paragraph 6 (instrument in substitution for one stamped *ad valorem*) and has been stamped under that paragraph,
- shall be treated as duly stamped for all purposes other than paragraph 25.

SCHEDULE 16

Section 113(3).

STAMP DUTY: AMENDMENTS CONSEQUENTIAL ON SECTION 113

General amendment

- 1 (1) Any reference (express or implied) in any enactment, instrument or other document to the heading “Bearer Instrument” in Schedule 1 to the ^{M45}Stamp Act 1891 shall be construed, so far as is required for continuing its effect, as being or, as the case may require, including a reference to Schedule 15 to this Act.
- (2) Sub-paragraph (1)—
- (a) has effect subject to any express amendment made by this Act, and
 - (b) is without prejudice to the general application of section 17(2) of the ^{M46}Interpretation Act 1978 (general effect of repeal and re-enactment).

Marginal Citations

M45 1891 c.39.

M46 1978 c.30.

Finance Act 1963 (c.25)

- 2 In section 67 of the Finance Act 1963 (prohibition of circulation of blank transfers) for subsection (4) substitute—
- “(4) In this section—
- (a) “stock” includes securities;
 - (b) references to stock include any interest in, or in any fraction of, stock or in any dividends or other rights arising out of stock and any right to an allotment of or to subscribe for stock; and
 - (c) “transfer” includes any instrument used for transferring stock.
- (4A) Nothing in this section applies to—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (a) an instrument which is chargeable with duty at the rate specified in paragraph 5 of Schedule 15 to the Finance Act 1999 (certain bearer instruments issued by or on behalf of non-UK companies) and is duly stamped, or
- (b) renounceable letters of allotment, letters of rights or other similar instruments where the rights under the letter or other instrument are renounceable not later than six months after its issue.”.

Finance Act 1976 (c.40)

- 3 In section 131(3) of the Finance Act 1976 (exemption for instruments issued by Inter-American Development Bank) for “the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ Schedule 15 to the Finance Act 1999 (bearer instruments) ”.

Finance Act 1984 (c.43)

- 4 In section 126(3)(c) and (5) of the Finance Act 1984 (exemption for bearer instruments issued by designated international organisations) for “the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ Schedule 15 to the Finance Act 1999 (bearer instruments) ”.

Finance Act 1986 (c.41)

- 5 In section 79(2) of the Finance Act 1986 (exemption for instruments relating to loan capital), for “the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ Schedule 15 to the Finance Act 1999 (bearer instruments) ”.

- 6 (1) Section 90 of the Finance Act 1986 (exceptions from general charge to stamp duty reserve tax) is amended as follows.

- (2) In subsection (3) for paragraph (a) substitute—
“(a) a non-UK bearer instrument;”.

- (3) In subsection (3A) for “an inland bearer instrument within the meaning of the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ a UK bearer instrument ”.

- (4) In subsection (3B) for “exemption 3 in the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ the exemption conferred by paragraph 16 of Schedule 15 to the Finance Act 1999 (renounceable letters of allotment etc.) ”.

- (5) In subsection (3C) for paragraph (b) substitute—

“(b) stamp duty under Schedule 15 to the Finance Act 1999 was not chargeable on the issue of the instrument by virtue only of the exemption conferred by paragraph 17 of that Schedule (non-sterling bearer instruments); and”.

- (6) In subsection (3E) for paragraph (b) substitute—

“(b) stamp duty under Schedule 15 to the Finance Act 1999 was not chargeable on the issue of the instrument—
(i) by virtue only of the exemption conferred by section 79(2) above (bearer instruments relating to loan capital), or

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (ii) by virtue only of that provision and paragraph 17 of that Schedule (non-sterling bearer instruments);”.
- 7 (1) In section 95 of the Finance Act 1986 (exceptions from charge to stamp duty reserve tax on entry into depositary receipt system), for subsection (2) substitute—
- “(2) There shall be no charge to tax under section 93 above in respect of a transfer, issue or appropriation of a UK bearer instrument, except in the case of—
- (a) an instrument within the exemption conferred by paragraph 16 of Schedule 15 to the Finance Act 1999 (renounceable letters of allotment etc. where rights are renounceable not later than six months after issue), or
- (b) an instrument within the exemption conferred by paragraph 17 of that Schedule (non-sterling instruments) which—
- (i) does not raise new capital, and
- (ii) is not issued in exchange for an instrument raising new capital.”.
- (2) There shall be no charge to tax under section 93 of that Act by virtue of paragraph (b) of subsection (2) of section 95 as substituted by sub-paragraph (1) above in the case of an instrument which gives effect to an agreement for a company merger or takeover entered into in writing by the companies involved before 30th January 1999.
- 8 (1) In section 97 of the Finance Act 1986 (exceptions from charge to stamp duty reserve tax on entry into clearance system), for subsection (3) substitute—
- “(3) There shall be no charge to tax under section 96 above in respect of a transfer or issue of a UK bearer instrument, except in the case of—
- (a) an instrument within the exemption conferred by paragraph 16 of Schedule 15 to the Finance Act 1999 (renounceable letters of allotment etc. where rights are renounceable not later than six months after issue), or
- (b) an instrument within the exemption conferred by paragraph 17 of that Schedule (non-sterling instruments) which—
- (i) does not raise new capital, and
- (ii) is not issued in exchange for an instrument raising new capital.”.
- (2) There shall be no charge to tax under section 96 of that Act by virtue of paragraph (b) of subsection (3) of section 97 as substituted by sub-paragraph (1) above in the case of an instrument which gives effect to an agreement for a company merger or takeover entered into in writing by the companies involved before 30th January 1999.
- 9 In section 99 of the Finance Act 1986 (interpretation of Part IV), after subsection (1) insert—
- “(1A) “Bearer instrument” has the same meaning as in Schedule 15 to the Finance Act 1999.
- An instrument is a “UK bearer instrument” or “non-UK bearer instrument” according to whether it is issued by or on behalf of a UK company or a non-UK company within the meaning of that Schedule.”.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Finance Act 1987 (c.16)

- 10 (1) Section 50 of the Finance Act 1987 (warrants to purchase government stock etc.: exempt securities) is amended as follows.
- (2) In subsection (2) for “the heading “Bearer Instrument” in Schedule 1 to the Stamp Act 1891” substitute “ Schedule 15 to the Finance Act 1999 (bearer instruments) ”.
- (3) In subsection (3)(b) for the words from “by virtue of section 30” to “1891” substitute “ exempt from stamp duty under paragraph 1 of Schedule 15 to the Finance Act 1999 (issue of bearer instrument) by virtue of paragraph 17 of that Schedule (certain non-sterling instruments) ”.
- (4) In subsection (3)(c) for the words from “by virtue of section 30” to “that heading” substitute “ exempt from stamp duty under that Schedule by virtue of paragraph 17 of that Schedule or section 79(2) of the Finance Act 1986 ”.

Finance Act 1988 (c.39)

- 11 (1) Section 143 of the Finance Act 1988 (paired shares) is amended as follows.
- (2) For subsection (2) substitute—
- “(2) In relation to an instrument to which this subsection applies, no duty is chargeable under paragraph 1 of Schedule 15 to the Finance Act 1999 (bearer instruments: charge on issue); but this does not affect the other requirements of that Schedule.”.
- (3) In subsection (3) for “This subsection applies” substitute “ Subsection (2) above applies ”.
- (4) For subsection (4) substitute—
- “(4) In relation to an instrument to which this subsection applies—
- (a) the foreign company shall be treated for the purposes of Schedule 15 to the Finance Act 1999 (stamp duty on bearer instruments) as a UK company, and
- (b) paragraph 17 of that Schedule (exemption for non-sterling instruments) shall not apply.”.
- (5) In subsection (5) for “This subsection applies” substitute “ Subsection (4) above applies ”.

Finance Act 1990 (c.29)

- 12 For section 107 of the Finance Act 1990 (bearers: abolition of stamp duty) substitute—

“107 Stamp duty to be abolished on bearer instruments.

- (1) Stamp duty shall not be chargeable under Schedule 15 to the Finance Act 1999 (bearer instruments).
- (2) Subsection (1) above applies in relation to the charge under paragraph 1 of that Schedule (charge on issue) where the instrument is issued on or after the abolition day.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (3) Subsection (1) above applies in relation to the charge under paragraph 2 of that Schedule (charge on transfer of stock) where the stock constituted by or transferable by means of the instrument is transferred on or after the abolition day.”.

SCHEDULE 17

Section 114.

STAMP DUTY: PENALTIES OTHER THAN ON LATE STAMPING

PART I

AMENDMENTS OF PENALTIES

Introduction

- 1 The amendments in this Part of this Schedule—
- (a) replace administrative fines by penalties;
 - (b) amend provisions imposing a fine or penalty of a specified amount so as to impose a penalty not exceeding a specified amount;
 - (c) increase or modernise in certain cases the maximum penalty.

Stamp Duties Management Act 1891 (c.38)

- 2 (1) The Stamp Duties Management Act 1891 is amended as follows.
- (2) In section 12A (lost or spoiled instruments), in subsection (2)(b) for “, fine or penalty” (twice) substitute “ or penalty ”.
 - (3) In section 21 (penalty for frauds in relation to duties), for “a fine of fifty pounds” substitute “ a penalty not exceeding £3,000 ”.

Stamp Act 1891 (c.39)

- 3 (1) The Stamp Act 1891 is amended as follows.
- (2) In section 5 (failure to set out in instrument facts and circumstances affecting duty), for “a fine of ten pounds” substitute “ a penalty not exceeding £3,000 ”.
 - (3) In section 9(1) (penalty for frauds in relation to instrument bearing adhesive stamp), for the words from “he shall” to the end substitute “ he is liable to a penalty not exceeding £3,000 ”.
 - (4) In section 16 (rolls, books, etc. to be open to inspection), for “a fine of ten pounds” substitute “ a penalty not exceeding £300 ”.
 - (5) In section 17 (penalty for enrolling, etc. instrument not duly stamped), for “a fine of ten pounds” substitute “ a penalty not exceeding £300 ”.
 - (6) In section 83 (penalty on issuing etc. foreign etc. security not duly stamped), for “a fine of twenty pounds” substitute “ a penalty not exceeding £300 ”.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Finance Act 1946 (c.64)

F13⁴

Textual Amendments

F13 Sch. 17 para. 4 repealed (with effect as mentioned in Sch. 20 Pt. V(5), Notes 1, 2) by 1999 c. 16, s. 139, Sch. 20 Pt. V(5), Notes

Finance (No. 2) Act (Northern Ireland) 1946 (c.17 (N.I.))

F14⁵

Textual Amendments

F14 Sch. 17 para. 5 repealed (with effect as mentioned in Sch. 20 Pt. V(5), Notes 1, 2) by 1999 c. 16, ss. 123(3)(4), 139, Sch. 20 Pt. V(5)

Finance Act 1963 (c.25)

6 In section 67(1) of the Finance Act 1963 (prohibition of circulation of blank transfers), for “fine” substitute “ penalty ” and for “£50” substitute “ £300 ”.

Finance Act (Northern Ireland) 1963 (c.22 (N.I.))

7 In section 16(1) of the Finance Act (Northern Ireland) 1963 (prohibition of circulation of blank transfers), for “fine” substitute “ penalty ” and for “fifty pounds” substitute “ £300 ”.

Finance Act 1986 (c.41)

8 In section 68(4) and (5) and section 71(4) and (5) of the Finance Act 1986 (depository receipts and clearance services: failure to comply with requirements as to notification), for “fine” substitute “ penalty ”.

PART II

DETERMINATION OF PENALTY AND APPEALS

Introduction

- 9 (1) This Part of this Schedule applies to penalties under the enactments relating to stamp duty, other than penalties under section 15B of the ^{M47}Stamp Act 1891 (penalty on late stamping).
- (2) Nothing in this Part of this Schedule affects criminal proceedings for an offence.

Marginal Citations

M47 1891 c.39.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Determination of penalty by officer of Commissioners

- 10 (1) An officer of the Commissioners authorised by the Commissioners for the purposes of this paragraph may make a determination—
- (a) imposing the penalty, and
 - (b) setting it at such amount as in the officer’s opinion is correct or appropriate.
- (2) Notice of the determination must be served on the person liable to the penalty.
- The notice must also state—
- (a) the date on which the notice is issued, and
 - (b) the time within which an appeal against the determination may be made.
- (3) After notice of the determination has been served, the determination cannot be altered except—
- (a) in accordance with sub-paragraph (4),
 - (b) by agreement in writing, or
 - (c) on appeal.
- (4) If it is discovered by an officer of the Commissioners authorised by the Commissioners for the purposes of this paragraph that the amount of a penalty determined under this paragraph is or has become insufficient, the officer may make a determination in a further amount so that the penalty is set at the amount which in the officer’s opinion is correct or appropriate.
- (5) If a person liable to a penalty has died—
- (a) any determination which could have been made in relation to that person may be made in relation to his personal representatives, and
 - (b) any penalty imposed on them is a debt due from and payable out of the person’s estate.
- (6) A penalty determined under this paragraph is due and payable at the end of the period of 30 days beginning with the date of the issue of the notice of determination.
- 11 (1) An appeal lies to the Special Commissioners against a determination under paragraph 10.
- (2) Notice of appeal must be given in writing to the officer of the Commissioners by whom the determination was made within 30 days of the date of the notice of the determination.
- (3) An appeal may be brought out of time with the consent of the Commissioners or the Special Commissioners.
- The Commissioners—
- (a) shall give that consent if satisfied, on an application for that purpose, that there was a reasonable excuse for not bringing the appeal within the time limit, and
 - (b) if not so satisfied, shall refer the matter for determination by the Special Commissioners.
- (4) The notice of appeal must specify the grounds of appeal, but on the hearing of the appeal the Special Commissioners may allow the appellant to put forward a ground not specified in the notice of appeal, and take it into consideration, if satisfied that the omission was not wilful or unreasonable.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (5) The powers conferred by section 46A(1)(c) and (2) to (4) and sections 56B to 56D of the ^{M48}Taxes Management Act 1970 (power of Lord Chancellor to make regulations as to jurisdiction, practice and procedure in relation to appeals to Special Commissioners) apply in relation to appeals under this paragraph.
- (6) On an appeal under this paragraph the Special Commissioners may—
- (a) if it appears to them that no penalty has been incurred, set the determination aside;
 - (b) if the amount determined appears to them to be appropriate, confirm the determination;
 - (c) if the amount determined appears to them to be excessive, reduce it to such other amount (including nil) as they consider appropriate;
 - (d) if the amount determined appears to them to be insufficient, increase it to such amount not exceeding the permitted maximum as they consider appropriate.

Marginal Citations

M48 1970 c.9.

- 12 (1) Section 56A of the Taxes Management Act 1970 (general right of appeal on point of law) applies in relation to a decision of the Special Commissioners under paragraph 11.
- (2) Without prejudice to that right of appeal, an appeal lies against the amount of a penalty determined by the Special Commissioners under paragraph 11, at the instance of the person liable to the penalty—
- (a) to the High Court, or
 - (b) in Scotland, to the Court of Session sitting as the Court of Exchequer.
- (3) On an appeal under sub-paragraph (2) the court has the same powers as are conferred on the Special Commissioners by paragraph 11(6) above.

Penalty proceedings before the court

- 13 (1) Where in the opinion of the Commissioners the liability of a person for a penalty arises by reason of his fraud or the fraud of another person, proceedings for the penalty may be brought—
- (a) in the High Court, or
 - (b) in Scotland, in the Court of Session sitting as the Court of Exchequer.
- (2) Proceedings under this paragraph in England and Wales shall be brought—
- (a) by and in the name of the Commissioners as an authorised department for the purposes of the ^{M49}Crown Proceedings Act 1947, or
 - (b) in the name of the Attorney General.

Any such proceedings shall be deemed to be civil proceedings by the Crown within the meaning of Part II of the Crown Proceedings Act 1947.

- (3) Proceedings under this paragraph in Scotland shall be brought in the name of the Advocate General for Scotland.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (4) Proceedings under this paragraph in Northern Ireland shall be brought—
- (a) by and in the name of the Commissioners as an authorised department for the purposes of the Crown Proceedings Act 1947 as for the time being in force in Northern Ireland, or
 - (b) in the name of the Attorney General for Northern Ireland.

Any such proceedings shall be deemed to be civil proceedings within the meaning of Part II of the Crown Proceedings Act 1947 as for the time being in force in Northern Ireland.

- (5) If in proceedings under this paragraph the court does not find that fraud is proved but considers that the person concerned is nevertheless liable to a penalty, the court may determine a penalty notwithstanding that, but for the opinion of the Commissioners as to fraud, the penalty would not have been a matter for the court.
- (6) Paragraph 10 above (determination of penalty by officer of Commissioners) does not apply where proceedings are brought under this paragraph.

Marginal Citations

M49 1947 c.44.

Supplementary provisions

- 14 (1) The Commissioners may in their discretion mitigate any penalty, or stay or compound any proceedings for the recovery of a penalty.
- (2) They may also, after judgment, further mitigate or entirely remit the penalty.
- 15 A penalty may be determined under paragraph 10, or proceedings for a penalty brought under paragraph 13, at any time within six years after the date on which the penalty was incurred.

PART III

POWER TO APPLY PROVISIONS AS TO COLLECTION AND RECOVERY ETC

- 16 (1) The Treasury may make regulations applying in relation to penalties to which Part II of this Schedule applies such provisions of the ^{M50}Taxes Management Act 1970 as they think fit.
- (2) The regulations may apply the provisions of that Act with such modifications as the Treasury think fit.
- (3) Regulations under this paragraph shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.

Marginal Citations

M50 1970 c.9.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- 17 Without prejudice to the generality of the power conferred by paragraph 16, regulations under that paragraph may apply—
- (a) any of the provisions of Part VI of the Taxes ^{M51}Management Act 1970 (collection and recovery), and
 - (b) such of the provisions of Part XI of that Act (miscellaneous and supplemental provisions) as appear to the Treasury to be appropriate.

Marginal Citations

M51 1970 c.9.

- 18 Sections 21, 22 and 35 of the ^{M52}Inland Revenue Regulation Act 1890 (proceedings for fines, etc.) do not apply in relation to penalties to which Part II of this Schedule applies.

Marginal Citations

M52 1890 c.21.

SCHEDULE 18

Section 115.

STAMP DUTY: MINOR AMENDMENTS AND REPEAL OF OBSOLETE PROVISIONS

PART I

MINOR AMENDMENTS

Introduction

- 1 The provisions of this Part of this Schedule have effect for the purposes of the enactments relating to stamp duty.

Payment by cheque

- 2 (1) Where—
- (a) any payment to the Commissioners is made by cheque, and
 - (b) the cheque is paid on its first presentation to the banker on whom it is drawn, the payment is treated as made on the day on which the cheque was first received by the Commissioners.
- (2) Sub-paragraph (1) applies where the cheque was first received by the Commissioners on or after 1st October 1999.

Evidence in cases of fraudulent conduct, etc.

- 3 (1) Statements made or documents produced by or on behalf of a person are not inadmissible in any such proceedings as are mentioned in sub-paragraph (2) by reason only that it has been drawn to that person's attention—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (a) that pecuniary settlements may be accepted instead of a penalty being determined, or proceedings being instituted, or
 - (b) that, though no undertaking can be given as to whether or not the Commissioners will accept such a settlement in the case of any particular person, it is the practice of the Commissioners to be influenced by the fact that a person has made a full confession of any fraudulent conduct to which he had been a party and has given full facilities for investigation,
- and that he was or may have been induced thereby to make the statements or produce the documents.
- (2) The proceedings mentioned in sub-paragraph (1) are—
- (a) any criminal proceedings against the person in question for any form of fraudulent conduct in connection with or in relation to stamp duty, and
 - (b) any proceedings against that person for the recovery of any stamp duty or interest on unpaid stamp duty due from him, and
 - (c) any proceedings for a penalty, or on appeal against the determination of a penalty, in connection with or in relation to stamp duty.

References to duration of lease

- 4 In relation to Scotland, the expression “term”, where referring to the duration of a lease, means “period”.

PART II

OBSOLETE PROVISIONS

- 5 (1) Section 13 of the ^{M53}Stamp Duties Management Act 1891 (certain offences in relation to dies and stamps provided by the Commissioners to be felonies) is amended as follows.
- (2) For the sidenote substitute “Offences in relation to dies and stamps.”.
- (3) Make the existing provision subsection (1) and at the beginning, for “Every person who” substitute “A person commits an offence who ”.
- (4) Omit the words from “shall be guilty of felony” to the end.
- (5) After subsection (1) insert—
- “(2) A person guilty of an offence under this section is liable—
- (a) on summary conviction, to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum, or both;
 - (b) on conviction on indictment, to imprisonment for a term not exceeding ten years or a fine, or both.”.
- (6) This paragraph has effect in relation to things done or omitted on or after 1st October 1999.

Marginal Citations

M53 1891 c.38.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- 6 (1) The following provisions of the Stamp Duties Management Act 1891 shall cease to have effect—
- in section 2 (recovery of money received for duty), subsections (2) and (3);
 - section 3 (power to grant licences to deal in stamps);
 - section 4 (penalty for unauthorised dealing in stamps etc.);
 - section 5 (provisions as to determination of a licence);
 - section 6 (penalty for hawking stamps);
 - section 8 (discount on sale of stamps);
 - section 9(2) and (3) (cases in which allowance may be made for spoiled adhesive stamps);
 - in section 11 (how allowance to be made), the words from “deducting therefrom” to the end;
 - section 12 (repurchase of stamps by Commissioners);
 - section 17 (proceedings for detection of stamps stolen or fraudulently obtained);
 - section 18 (licensed person in possession of forged stamps to be presumed guilty);
 - section 19 (mode of proceeding when stamps are seized);
 - section 20 (defacement of adhesive stamps);
 - section 25 (mode of granting licences).
- (2) This paragraph comes into force on 1st October 1999.

SCHEDULE 19

Section 122(4).

STAMP DUTY AND STAMP DUTY RESERVE TAX: UNIT TRUSTS

PART I

ABOLITION OF STAMP DUTY ON TRANSFERS ETC. OF UNITS IN UNIT TRUSTS

- 1 (1) No stamp duty is chargeable on a transfer or other instrument relating to a unit under a unit trust scheme.
- (2) Sub-paragraph (1) does not affect any charge to stamp duty—
- (a) on a conveyance or transfer on sale of property other than units under a unit trust scheme in relation to which such units form the whole or part of the consideration, or
 - (b) under Schedule 15 to this Act (bearer instruments).
- (3) This paragraph has effect in relation to instruments executed on or after 6th February 2000.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

PART II

STAMP DUTY RESERVE TAX ON DEALINGS WITH UNITS IN UNIT TRUSTS

Modifications etc. (not altering text)

C17 Sch. 19 Pt. II excluded (11.5.2001 with effect as mentioned in s. 94(5) of the amending Act) by 2001 c. 9, s. 94(1)-(4)

Charge to tax

- 2 (1) There is a charge to stamp duty reserve tax where—
- (a) a person authorises or requires the trustees or managers under a unit trust scheme to treat him as no longer interested in a unit under the scheme, or
 - (b) a unit under a unit trust scheme is transferred to the managers of the scheme, and the unit is a chargeable security.

Those events are referred to in this Part of this Schedule as a “surrender” of the unit to the managers.

- (2) The tax is chargeable—
- (a) whether the surrender is made or effected in the United Kingdom or elsewhere, and
 - (b) whether or not any party is resident or situate in any part of the United Kingdom.
- (3) The persons liable for the tax are the trustees of the unit trust.
- (4) This paragraph is subject to the exclusions provided for in paragraphs 6 and 7.

Rate of tax

- 3 (1) Tax under this Part of this Schedule is chargeable at the rate of 0.5% of the market value of the unit.

This is subject to any reduction under paragraph 4 or 5.

- (2) The market value of a unit means whichever is higher of—
- (a) the price the unit might reasonably be expected to fetch on a sale in the open market at the time of surrender, and
 - (b) its cancellation price, or if it is redeemed its redemption price, at that time, calculated in accordance with the trust instrument.

Proportionate reduction of tax by reference to units issued

- 4 (1) The amount of tax chargeable shall be proportionately reduced if the number of units of the same class as the unit in question that are surrendered to the managers in the relevant two-week period exceeds the number of units of that class issued by the managers in that period.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (2) The “relevant two-week period” in relation to a surrender is the period from the beginning of the week in which the surrender occurs to the end of the following week.

For this purpose a week means a period of seven days beginning with a Sunday.

- (3) The reduction is made by applying the following fraction to the amount otherwise chargeable—

$$\frac{I}{S}$$

Where:

I is the number of units of the class issued by the managers in the relevant two-week period, and

S is the number of units of the class surrendered to the managers in that period.

- (4) If a consolidation or sub-division of units affects the comparison of the number of units surrendered and the number of units issued, the numbers shall be determined as if the consolidation or sub-division had not taken place.

“Consolidation or sub-division” includes any alteration of the number of units of the class in question otherwise than in consequence of an increase or reduction in the trust property.

- (5) This paragraph does not apply if on the surrender of the unit the unit holder receives anything other than money; and for the purposes of this paragraph no account shall be taken of a surrender or issue that is not entirely for money.

Modifications etc. (not altering text)

C18 Sch. 19 para. 4 modified (6.2.2000) by S.I. 1997/1156, reg. 4A(2) (as inserted (6.2.2000) by S.I. 1999/3261, reg. 5)

Proportionate reduction of tax by reference to assets held

- 5 (1) The amount of tax chargeable after any reduction under paragraph 4 shall be further reduced if in the relevant two-week period the trust property is invested in both exempt and non-exempt investments.

- (2) The reduction is made by applying the following fraction to that amount—

$$\frac{N}{N + E}$$

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Where:

N is the average market value of the non-exempt investments over the relevant two-week period, and

E is the average market value of the exempt investments over that period.

- (3) In this paragraph “exempt investment” has the same meaning as in section 99(5A) (b) of the ^{M54}Finance Act 1986; and “non-exempt investment” means any investment that is not an exempt investment.

Marginal Citations

M54 1986 c.41.

Exclusion of charge in certain cases of change of ownership

- 6 (1) This paragraph applies where in pursuance of arrangements between the person entitled to a unit and another person (“the new owner”)—
- (a) the unit is surrendered to the managers, and
 - (b) the person surrendering the unit authorises or requires the managers or trustees to treat the new owner as entitled to it.
- (2) There is no charge to tax under this Part of this Schedule if no consideration in money or money’s worth is given in connection with the surrender of the unit or the new owner’s becoming entitled to it.
- (3) There is no charge to tax under this Part of this Schedule if the new owner is—
- (a) a body of persons established for charitable purposes only, or
 - (b) the trustees of a trust established for those purposes only, or
 - (c) the Trustees of the National Heritage Memorial Fund, or
 - (d) the Historic Buildings and Monuments Commission for England.
- (4) There is no charge to tax under this Part of this Schedule if an instrument executed at the time of the surrender—
- (a) in pursuance of arrangements between the person entitled to the unit and the new owner, and
 - (b) transferring the unit from the one to the other,
- would be exempt from stamp duty (if stamp duty were otherwise chargeable) by virtue of any of the provisions mentioned in sub-paragraph (5).
- (5) The provisions referred to in sub-paragraph (4) are—
- (a) section 42 of the ^{M55}Finance Act 1930 or section 11 of the ^{M56}Finance Act (Northern Ireland) 1954 (transfers between associated companies); and
 - (b) regulations under section 87(2) of the ^{M57}Finance Act 1985 (power to exempt instruments from stamp duty of fixed amount).
- (6) Where by virtue of sub-paragraph (2), (3) or (4) there is no charge to tax, both the surrender and the related issue shall be left out of account for the purposes of paragraph 4.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Marginal Citations

M55 1930 c.28.

M56 1954 c.23(N.I).

M57 1985 c.54.

VALID FROM 11/05/2001

Exclusion of charge in case of individual pension accounts

[^{F15}6A (1) There is no charge to tax under this Part of this Schedule on the surrender of the unit if—

- (a) immediately before the surrender, the unit is held within an individual pension account,
- (b) not all the units under the unit trust scheme are so held at that time, and
- (c) a certificate pursuant to sub-paragraph (2) is contained in, or provided with, the relevant monthly tax return.

(2) The certificate must be given by the persons making the relevant monthly tax return and must state—

- (a) that at all times in the period to which the return relates the trustees or managers were able to identify which of the units under the scheme were held within individual pension accounts, and
- (b) that at no time in that period have the trustees or managers imposed any charge on, or recovered any amount from, an IPA unit holder which included an amount directly or indirectly attributable to tax payable by the trustees under this Part of this Schedule.

(3) In sub-paragraph (2), “IPA unit holder” means—

- (a) a person acquiring, or who has acquired, a unit under the unit trust scheme, where the unit is to be held within an individual pension account,
- (b) a person holding a unit under the scheme, where the unit is held within an individual pension account, or
- (c) a person surrendering, or who has surrendered, a unit under the scheme, where immediately before the surrender the unit is or was held within an individual pension account.

(4) In this paragraph—

“individual pension account” has the same meaning as in regulations under section 638A of the Taxes Act 1988 (as at 6th April 2001, see regulation 4 of the Personal Pension Schemes (Restriction on Discretion to Approve) (Permitted Investments) Regulations 2001 (S.I. 2001/117));

“the relevant monthly tax return”, in the case of any surrender, means the notice required by regulations under section 98 of the Finance Act 1986 (c. 41) to be given by the managers (or, failing that, the trustees) under the unit trust scheme to the Commissioners of Inland Revenue containing among other things details of all surrenders in the relevant two-week period;

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

“the relevant two-week period” has the meaning given by paragraph 4(2).]

Textual Amendments

F15 Sch. 19 Pt. II para. 6A inserted (11.5.2001 with effect as mentioned in s. 93(6) of the amending Act) by 2001 c. 9, s. 93(4)

Exclusion of charge in case of in specie redemption

- 7 There is no charge to tax under this Part of this Schedule if on the surrender of the unit the unit holder receives only such part of each description of asset in the trust property as is proportionate to, or as nearly as practicable proportionate to, the unit holder’s share.

Interpretation

- 8 (1) For the purposes of this Part of this Schedule “issue” in the context of the issue of a unit by the managers under a unit trust scheme includes their transferring an existing unit or authorising or requiring the trustees to treat a person as entitled to a unit under the scheme.
- (2) References in this Part of this Schedule to the surrender or issue of a unit under a unit trust scheme do not include a surrender or issue effected by means of, or consisting of the issue of, a certificate to bearer.

Transitional provision

- 9 This Part of this Schedule applies where the surrender of the unit to the managers occurs on or after 6th February 2000.

PART III

MINOR AND CONSEQUENTIAL AMENDMENTS

Finance Act 1986 (c.41)

- 10 In section 88(1) of the Finance Act 1986 (instruments exempt from stamp duty disregarded for the purpose of repayment etc. of stamp duty reserve tax), after paragraph (b) insert—
- “, or
- (c) Part I of Schedule 19 to the Finance Act 1999 (transfers etc. of units in unit trusts),”.
- 11 (1) Section 90 of the Finance Act 1986 (exceptions from general charge to stamp duty reserve tax) is amended as follows.
- (2) In subsection (1) (transfer of unit to managers of unit trust scheme) for “to the managers” substitute “to or from the managers”.
- (3) After that subsection insert—

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

“(1A) Section 87 above shall not apply as regards an agreement to transfer a unit under a unit trust scheme if an instrument executed at the same time as the agreement and giving effect to the agreement would be exempt from stamp duty (if stamp duty were otherwise chargeable) by virtue of—

- (a) section 42 of the Finance Act 1930 or section 11 of the Finance Act (Northern Ireland) 1954 (transfers between associated companies), or
- (b) regulations under section 87(2) of the Finance Act 1985 (power to exempt instruments from stamp duty of fixed amount).”.

(4) After the subsection inserted by sub-paragraph (3) insert—

“(1B) Section 87 above shall not apply as regards an agreement to transfer trust property to the unit holder on the surrender to the managers of a unit under a unit trust scheme.

The reference here to the surrender of a unit has the same meaning as in Part II of Schedule 19 to the Finance Act 1999.”.

(5) The amendments in sub-paragraphs (2) and (3) apply where the relevant day for the purposes of section 87 of the Finance Act 1986 falls on or after 6th February 2000.

(6) The amendment in sub-paragraph (4) applies where the surrender (within the meaning of Part II of Schedule 19 to the Finance Act 1999) occurs on or after 6th February 2000.

12 (1) Section 99 of the Finance Act 1986 (general interpretation provisions) is amended as follows.

(2) In subsection (5) (securities excepted from being chargeable securities), in paragraph (a), after “securities” insert “ falling within paragraph (a), (b) or (c) of subsection (3) above ”.

(3) After that subsection insert—

“(5A) “Chargeable securities” does not include a unit under a unit trust scheme if—

- (a) all the trustees under the scheme are resident outside the United Kingdom and the unit is not registered in a register kept in the United Kingdom by or on behalf of the trustees under the scheme; or
- (b) under the terms of the scheme the trust property can only be invested in exempt investments.

(5B) For the purposes of subsection (5A)(b)—

- (a) an investment other than an interest under a collective investment scheme is an exempt investment if, and only if—
 - (i) it is not an investment on the transfer of which *ad valorem* stamp duty would be chargeable, and
 - (ii) it is not a chargeable security;
- (b) an interest under a collective investment scheme is an exempt investment if, and only if, the scheme is an authorised unit trust scheme or an open-ended investment company and under the terms of the scheme the property subject to the scheme—
 - (i) cannot be invested in such a way that income can arise to the trustees or the company that will be chargeable to tax

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- in their hands otherwise than under Case III of Schedule D,
and
(ii) can only be invested in exempt investments;
- (c) a derivative is an exempt investment if, and only if, it relates wholly to one or more exempt investments; and
- (d) funds held for the purposes of the day to day management of the unit trust scheme are not regarded as investments.

In this subsection “authorised unit trust scheme”, “collective investment scheme” and “open-ended investment company” have the same meaning as in the Financial Services Act 1986.”.

- (4) For subsection (9) (meaning of “unit” and “unit trust scheme”) substitute—

“(9) “Unit trust scheme” and related expressions have the meanings given by Part IV of Schedule 19 to the Finance Act 1999.”.

Finance Act 1995 (c.4)

- 13 (1) Section 152 of the Finance Act 1995 (power to apply tax legislation to open-ended investment companies) is amended as follows.
- (2) In subsection (2)(b) for “Part IV of the Finance Act 1986 (stamp duty reserve tax)” substitute “ stamp duty reserve tax ”.
- (3) In subsection (3)(c)—
- (a) for “Part IV of the Finance Act 1986” substitute “ the enactments relating to stamp duty or stamp duty reserve tax ”, and
- (b) for “the enactments relating to stamp duty” substitute “ those enactments ”.
- (4) In subsection (6) at the appropriate place insert—

““the enactments relating to stamp duty reserve tax” means Part IV of the Finance Act 1986 and any enactment which amends or is required to be construed as one with that Part;”.

PART IV

GENERAL DEFINITIONS

Meaning of “unit trust scheme” and related expressions

- 14 (1) The following definitions apply for the purposes of the enactments relating to stamp duty and the enactments relating to stamp duty reserve tax.
- (2) “Unit trust scheme” has the same meaning as in the ^{M58}Financial Services Act 1986, subject to paragraphs 15 to 18.
- (3) In relation to a unit trust scheme—
- “trust instrument” means the trust deed or other instrument (whether under seal or not) creating or recording the trusts on which the property in question is held;

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

“trust property” means the property subject to the trusts of the trust instrument;

“unit” means a right or interest (whether described as a unit, as a sub-unit or otherwise) of a beneficiary under the trust instrument;

“unit holder” means a person entitled to a share of the trust property; and

“certificate to bearer”, in relation to a unit, means a document by the delivery of which the unit can be transferred.

Modifications etc. (not altering text)

C19 Sch. 19 para. 14 modified (6.2.2000) by S.I. 1997/1156, reg. 4A(3) (as inserted (6.2.2000) by S.I. 1999/3261, reg. 5)

Marginal Citations

M58 1986 c.60.

Schemes not treated as unit trust schemes

- 15 References in the enactments relating to stamp duty and the enactments relating to stamp duty reserve tax to a unit trust scheme do not include—
- (a) a common investment scheme under section 22 of the ^{M59}Charities Act 1960, section 25 of the ^{M60}Charities Act (Northern Ireland) 1964, or section 24 of the ^{M61}Charities Act 1993,
 - (b) a common deposit scheme under section 22A of the Charities Act 1960 or section 25 of the Charities Act 1993, or
 - (c) a unit trust scheme the units in which are under the terms of the trust instrument required to be held only by bodies of persons established for charitable purposes only or trustees of trusts so established.

Marginal Citations

M59 1960 c.58.

M60 1964 c.33(N.I.).

M61 1993 c.10.

- 16 References in the enactments relating to stamp duty and the enactments relating to stamp duty reserve tax to a unit trust scheme do not include common investment arrangements made by trustees of exempt approved schemes (within the meaning of section 592(1) of the Taxes Act 1988) solely for the purposes of the schemes.
- 17 (1) The Treasury may by regulations provide that any scheme of a description specified in the regulations shall be treated as not being a unit trust scheme for the purposes of the enactments relating to stamp duty and the enactments relating to stamp duty reserve tax.
- (2) Regulations under this paragraph—
- (a) may contain such supplementary and transitional provisions as appear to the Treasury to be necessary or expedient, and
 - (b) shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

- (3) This paragraph replaces section 57(1A) and (1B) of the ^{M62}Finance Act 1946 and section 28(1A) and (1B) of the ^{M63}Finance (No.2) Act (Northern Ireland) 1946.
- (4) Any regulations having effect under those provisions for the purposes of Part VII of the Finance Act 1946 or Part III of the Finance (No.2) Act (Northern Ireland) 1946 which are in force immediately before the commencement of this Schedule shall have effect as if made under this paragraph.

Modifications etc. (not altering text)

C20 Sch. 19 para. 17 modified (6.2.2000) by S.I. 1997/1156, reg. 4A(4) (as inserted (6.2.2000) by S.I. 1999/3261, reg. 5)

Marginal Citations

M62 1946 c.64.

M63 1946 c.17(N.I.).

Treatment of umbrella schemes

- 18 (1) For the purposes of the enactments relating to stamp duty and the enactments relating to stamp duty reserve tax each of the parts of an umbrella scheme is regarded as a unit trust scheme and the scheme as a whole is not so regarded.
- (2) An “umbrella scheme” means a unit trust scheme—
- (a) which provides arrangements for separate pooling of the contributions of participants and of the profits or income out of which payments are to be made to them, and
 - (b) under which the participants are entitled to exchange rights in one pool for rights in another;
- and a “part of an umbrella scheme” means such of the arrangements as relate to a separate pool.
- (3) In relation to a part of an umbrella scheme—
- (a) any reference to the trust property has effect as a reference to such of the trust property as under the arrangements forms part of the separate pool to which the part of the umbrella scheme relates, and
 - (b) any reference to a unit holder has effect as a reference to a person for the time being having rights in that separate pool.

References to stock in stamp duty enactments include units under unit trust scheme

- 19 In the enactments relating to stamp duty—
- (a) any reference to stock includes a unit under a unit trust scheme, and
 - (b) any reference to a stock certificate to bearer includes a certificate to bearer in relation to a unit under a unit trust scheme.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

SCHEDULE 20

REPEALS

PART I

EXCISE DUTIES

(1)

Hydrocarbon oil duties

Chapter	Short title	Extent of repeal
1979 c. 5.	The Hydrocarbon Oil Duties Act 1979.	In section 15(1), the word “exportation,”.

This repeal has effect in accordance with section 4 of this Act.

(2)

Drawback of duty on shipment of goods as stores etc.

Chapter	Short title	Extent of repeal
1979 c. 2.	The Customs and Excise Management Act 1979.	Section 132.

Subsection (4) of section 11 of this Act shall apply in relation to this repeal as it applies in relation to subsection (3) of that section.

PART II

VALUE ADDED TAX

(1)

Groups of companies

Chapter	Short title	Extent of repeal
1994 c. 23.	The Value Added Tax Act 1994.	Section 43(3) to (8).
1995 c. 4.	The Finance Act 1995.	Section 25(3) and (4).

These repeals have effect subject to paragraph 6 of Schedule 2 to this Act.

(2)

Meaning of “business”

Chapter	Short title	Extent of repeal
1994 c. 23.	The Value Added Tax Act 1994.	Section 94(3).

Subsection (2) of section 20 of this Act shall apply in relation to this repeal as it applies in relation to that section.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

PART III

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

(1)

Capital gains tax rates

Chapter	Short title	Extent of repeal
1992 c. 12.	The Taxation of Chargeable Gains Act 1992.	In section 4— (a) subsections (1A), (1B), (3A) and (3B); and (b) in subsection (4), the words “(disregarding subsection (3B)(a) above)”.
1992 c. 48.	The Finance (No. 2) Act 1992.	Section 23.
1993 c. 34.	The Finance Act 1993.	In Schedule 6, paragraph 22.
1996 c. 8.	The Finance Act 1996.	In Schedule 6, paragraph 27.
1997 c. 58.	The Finance (No. 2) Act 1997.	In Schedule 4, paragraph 24(4) and (5).

These repeals have effect for the year 1999-00 and subsequent years of assessment.

(2)

Corporation tax rates

Chapter	Short title	Extent of repeal
1988 c. 1.	The Income and Corporation Taxes Act 1988.	Section 13(9).

This repeal has effect for the financial year 2000 and subsequent financial years.

(3)

Married couple's allowance

Chapter	Short title	Extent of repeal
1970 c. 9.	The Taxes Management Act 1970.	In section 37A, “, 257D”.
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 257A— (a) subsection (1); (b) in subsection (2), the words from “(instead of” to the end; (c) in subsection (3), the words “(1) or”; and

1. The repeal in section 257A(5) of the Taxes Act 1988 has effect for the year 1999-00 and subsequent years of assessment.

2. The other repeals have effect for the year 2000-01 and subsequent years of assessment.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

		(d) in subsection (5), the words from “(but not” to the end. In section 257BA(2), the words from “(to nil” to the end. Sections 257D to 257F. Section 278(2A).
1989 c. 26.	The Finance Act 1989.	In section 33— (a) subsection (6); (b) in subsection (10), the words “257B(2), 257D(8) and”; and (c) subsections (11) to (13).
1992 c. 48.	The Finance (No. 2) Act 1992.	In Schedule 5, paragraphs 3 and 4.
1994 c. 9.	The Finance Act 1994.	Section 77(2)(a). In Schedule 8, paragraphs 4 and 5.
1996 c. 8.	The Finance Act 1996.	In Schedule 20, paragraphs 14(2), 15 and 16. In Schedule 21, paragraph 5.

1. The repeal in section 257A(5) of the Taxes Act 1988 has effect for the year 1999-00 and subsequent years of assessment.

2. The other repeals have effect for the year 2000-01 and subsequent years of assessment.

(4)

Income tax relief in respect of children

Chapter	Short title	Extent of repeal
1970 c. 9.	The Taxes Management Act 1970.	In section 58(3)(b), “260(3),”.
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 256(3), the words after paragraph (c). Sections 259 to 261A.
1988 c. 39.	The Finance Act 1988.	Section 30. Section 134(3). In Schedule 3, paragraphs 5 and 6.
1992 c. 48.	The Finance (No. 2) Act 1992.	In Schedule 5, paragraphs 5 and 6.
1994 c. 9.	The Finance Act 1994.	Section 77(3) and (4). In Schedule 8, paragraphs 6 to 8.
1996 c. 8.	The Finance Act 1996.	In Schedule 20, paragraphs 17 and 18.

These repeals have effect for the year 2000-01 and subsequent years of assessment.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

1995 c. 4.	The Finance Act 1995.	In Schedule 17, paragraph 4(1).
1996 c. 8.	The Finance Act 1996.	Section 149. In Schedule 21, paragraph 25.

These repeals have effect in relation to any payment falling due on or after 6th April 2000.

(7)

Interest on loans to buy land etc.

Chapter	Short title	Extent of repeal
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 160(1C)(a), the words “or section 357(1)(b)”. In section 353(1A) and (1B), the words “354 or”. Sections 354 to 358. In section 367— (a) subsection (1); and (b) in subsection (2), the words “354(1) and”. In section 370— (a) in subsection (1), the words “or (3)”; (b) in subsection (2), the words “354(1) or” and “356A, 357 or”, and paragraph (c) of that subsection and the word “and” immediately preceding it; and (c) subsections (3), (4), (6) and (7). Section 372. In section 373— (a) in subsection (1), the words “section 356A, section 357(1) or”; (b) subsections (3) and (4); (c) in subsection (5), the words from “and” to “also fulfilled”; and (d) in subsection (7), the words from “and” to the end. In section 374, subsection (1) (c) and, in subsection (2), the words “(c) or”.

1. The repeals in section 375 of the Taxes Act 1988 have effect in accordance with paragraph 18(1) of Schedule 4 to this Act.

2. The repeals in section 488 of that Act have effect in accordance with paragraph 18(2) of that Schedule.

3. The repeal in the Taxation of Chargeable Gains Act 1992 has effect in accordance with paragraph 18(4) of that Schedule.

4. The other repeals have effect in relation to any payment of interest falling within subsection (3) or (4) of section 38 of this Act.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

		Section 375(9) and (10). Section 375A. In section 376— (a) in subsection (3), the words from “and” to the end; and (b) subsection (6). Section 377. Section 378(1), (2) and (4). In section 379— (a) in the definition of “qualifying lender”, the words “to (6)”; and (b) in the definition of “regulations”, the words “except in sections 378(1) and (2)”. Section 477A(8). In section 488— (a) in subsection (1), paragraph (c); (b) in subsection (2), paragraph (b) and the word “and” immediately preceding it; (c) in subsection (4), the words “a member or of”; and (d) subsection (12). In section 828(4), “377(8)”.
1988 c. 39.	The Finance Act 1988.	Sections 42 to 44. In Schedule 3, paragraph 14.
1990 c. 29.	The Finance Act 1990.	In Schedule 14, paragraph 6.
1992 c. 12.	The Taxation of Chargeable Gains Act 1992.	In section 222(8)(a), the words from “within” to “Act”.
1993 c. 34.	The Finance Act 1993.	Section 56. Section 57(1), (2), (4) and (6).
1994 c. 9.	The Finance Act 1994.	Section 81(3) and (8). In Schedule 9, paragraphs 7(1) and 10(2). In Schedule 17, paragraph 3.

1. The repeals in section 375 of the Taxes Act 1988 have effect in accordance with paragraph 18(1) of Schedule 4 to this Act.

2. The repeals in section 488 of that Act have effect in accordance with paragraph 18(2) of that Schedule.

3. The repeal in the Taxation of Chargeable Gains Act 1992 has effect in accordance with paragraph 18(4) of that Schedule.

4. The other repeals have effect in relation to any payment of interest falling within subsection (3) or (4) of section 38 of this Act.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

1995 c. 4.	The Finance Act 1995.	In section 42, subsection (1) and, in subsection (2), paragraphs (b) to (e). In Schedule 6, paragraph 18.
1996 c. 8.	The Finance Act 1996.	In Schedule 20, paragraph 28(5). In Schedule 21, paragraphs 8 and 9.
1997 c. 58.	The Finance (No. 2) Act 1997.	Section 15.

1. The repeals in section 375 of the Taxes Act 1988 have effect in accordance with paragraph 18(1) of Schedule 4 to this Act.
2. The repeals in section 488 of that Act have effect in accordance with paragraph 18(2) of that Schedule.
3. The repeal in the Taxation of Chargeable Gains Act 1992 has effect in accordance with paragraph 18(4) of that Schedule.
4. The other repeals have effect in relation to any payment of interest falling within subsection (3) or (4) of section 38 of this Act.

(8)

Conditional acquisition of shares

Chapter	Short title	Extent of repeal
1988 c. 1.	The Income and Corporation Taxes Act 1988.	Section 140A(2).

This repeal applies in relation to shares acquired on or after the day on which this Act is passed.

(9)

Mobile telephones

Chapter	Short title	Extent of repeal
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 154(2)(b), “159A”. Section 159A. Section 200AA(3).
1991 c. 31.	The Finance Act 1991.	Section 30.
1993 c. 34.	The Finance Act 1993.	Section 74(2). In Schedule 4, paragraph 5.

These repeals have effect for the year 1999-00 and subsequent years of assessment.

(10)

PRP and agricultural pay

Chapter	Short title	Extent of repeal
1988 c. 1.	The Income and Corporation Taxes Act 1988.	Section 175(1)(c) and (4). In section 178(1), paragraph (d) and the word “or” immediately preceding it.

These repeals have effect in accordance with section 46 of this Act.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

(11)

Sub-contractors in the construction industry

Chapter	Short title	Extent of repeal
1998 c. 36.	The Finance Act 1998.	In Schedule 8, paragraphs 3 to 5.

This repeal has effect in accordance with section 53 of this Act.

(12)

Gifts in kind to charities

Chapter	Short title	Extent of repeal
1998 c. 36.	The Finance Act 1998.	Section 47.

This repeal has effect in relation to gifts made on or after the day on which this Act is passed.

(13)

Gifts of money to relieve refugee poverty

Chapter	Short title	Extent of repeal
1998 c. 36.	The Finance Act 1998.	In section 48— (a) in subsection (2), the word “and” at the end of paragraph (a); and (b) in subsection (8), the definition of “the first designation date”.

These repeals have effect in relation to gifts made on or after 6th April 1999.

(14)

Secondment of employees to educational establishments

Chapter	Short title	Extent of repeal
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 86(3), the words “and before 1st April 1997”.

This repeal has effect in accordance with section 58 of this Act.

(15)

Vocational training relief

Chapter	Short title	Extent of repeal
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 265(3), paragraph (e) and the word “or” immediately preceding it.
1991 c. 31.	The Finance Act 1991.	Sections 32 and 33.

Section 59(3)(b) of this Act shall apply in relation to these repeals as it applies in relation to subsection (2) of that section.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

1994 c. 9.	The Finance Act 1994.	Section 84.
1996 c. 8.	The Finance Act 1996.	In section 129— (a) subsection (1)(b); (b) in subsection (2), the words “section 32(5)(b) of the 1991 Act”; and (c) subsections (4) and (6). Section 144. In Schedule 18, paragraph 14.
1997 c. 44.	The Education Act 1997.	In Schedule 7, paragraph 6.

Section 59(3)(b) of this Act shall apply in relation to these repeals as it applies in relation to subsection (2) of that section.

(16)

Relevant discounted securities

Chapter	Short title	Extent of repeal
1996 c. 8.	The Finance Act 1996.	In Schedule 13, paragraph 3(5).

This repeal has effect in accordance with section 65(8) to (12) of this Act.

(17)

Court common investment funds

Chapter	Short title	Extent of repeal
1988 c. 1.	The Income and Corporation Taxes Act 1988.	Section 328. Section 468AA(3). In section 720(5), the second sentence.

The repeal of section 328 of the Taxes Act 1988 and the repeal in 720(5) of that Act have effect in accordance with section 68 of this Act.

(18)

EIS deferred gains

Chapter	Short title	Extent of repeal
1992 c. 12.	The Taxation of Chargeable Gains Act 1992.	In Schedule 5B, in paragraph 19(1), the definition of “relevant shares”.

This repeal has effect in accordance with section 73 of this Act.

(19)

Advance corporation tax: consequences of abolition

Chapter	Short title	Extent of repeal
----------------	--------------------	-------------------------

These repeals have effect in accordance with section 91 of this Act.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

1988 c. 1.	The Income and Corporation Taxes Act 1988.	In Schedule 16— (a) in paragraph 4(1), the words “Subject to subparagraph (3) below,”; and (b) paragraph 4(3).
1990 c. 29.	The Finance Act 1990.	In Schedule 14, paragraph 13.

These repeals have effect in accordance with section 91 of this Act.

(20)

Group relief: reduction in surrenderable amount.

Chapter	Short title	Extent of repeal
1990 c. 29.	The Finance Act 1990.	Section 96.

This repeal has effect in accordance with section 92 of this Act.

(21)

Company tax returns, etc.

Chapter	Short title	Extent of repeal
1970 c. 9.	The Taxes Management Act 1970.	In section 43A(1)(a), the word “where”.
1988 c. 1.	The Income and Corporation Taxes Act 1988.	Section 411A.
1990 c. 1.	The Capital Allowances Act 1990.	In section 145(3), the words “to which section 42 of the Taxes Management Act 1970 applies”.
1990 c. 29.	The Finance Act 1990.	Section 101.

These repeals have effect in accordance with section 93 of this Act.

PART IV

OIL TAXATION

(1)

PRT returns

Chapter	Short title	Extent of repeal
1987 c. 51.	The Finance (No. 2) Act 1987.	In section 101(2), paragraph (b) and the word “and” immediately preceding it.

This repeal has effect in relation to any chargeable period ending on or after 30th June 1999.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

(2)

Business assets: Roll-over relief

Chapter	Short title	Extent of repeal
1992 c. 12.	The Taxation of Chargeable Gains Act 1992.	Section 193.

This repeal has effect in accordance with section 103(2) of this Act.

PART V

STAMP DUTY AND STAMP DUTY RESERVE TAX

Commencement Information

II Sch. 20 Pt. V in force at Royal Assent except for repeals in (4) which come into force on 1.10.1999

(1)

Stamp duty: interest and penalties on late stamping

Chapter	Short title	Extent of repeal
1933 c. 19.	The Finance Act 1933.	In section 42, the words “and subsection (1) of section 15”.
1933 c. 28 (N.I.).	The Finance Act (Northern Ireland) 1933.	In section 2, the words “and subsection (1) of section fifteen”.
1965 c. 25.	The Finance Act 1965.	Section 91.
1965 c. 16 (N.I.).	The Finance Act (Northern Ireland) 1965.	Section 5.
1984 c. 43.	The Finance Act 1984.	Section 111(4).
1986 c. 41.	The Finance Act 1986.	Section 69(5). Section 72(3).

1. These repeals have effect in relation to instruments executed on or after 1st October 1999, subject to paragraph 2.

2. The repeals do not have effect in relation to transfers or other instruments relating to units under a unit trust scheme.

This does not affect their operation in relation to—

(a) conveyances or transfers on sale of property other than units under a unit trust scheme in relation to which such units form the whole or part of the consideration; and

(b) bearer instruments constituting, or used for transferring, units under a unit trust scheme.

(2)

Stamp duty: charging provisions and rates of duty

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

Chapter	Short title	Extent of repeal
1891 c. 39.	The Stamp Act 1891.	Section 1. Section 54. Section 59. Section 62. Sections 72 and 73. Section 75. Section 77(5). Schedule 1.
1902 c. 7.	The Finance Act 1902.	Section 9.
1903 c. 46.	The Revenue Act 1903.	Section 7.
1949 c. 47.	The Finance Act 1949.	Section 35. Schedule 8.
1949 c. 15 (N.I.).	The Finance Act (Northern Ireland) 1949.	Section 35. Schedule 2.
1958 c. 56.	The Finance Act 1958.	Section 34(4).
1958 c. 14 (N.I.).	The Finance Act (Northern Ireland) 1958.	Section 7(4).
1963 c. 25.	The Finance Act 1963.	Sections 55 to 63. Section 65(1).
1963 c. 22 (N.I.).	The Finance Act (Northern Ireland) 1963.	Sections 4 to 12. Section 14(1).
1967 c. 54.	The Finance Act 1967.	Section 30.
1967 c. 20 (N.I.).	The Finance Act (Northern Ireland) 1967.	Section 7.
1970 c. 24.	The Finance Act 1970.	Section 32. Schedule 7.
1970 c. 21 (N.I.).	The Finance Act (Northern Ireland) 1970.	Section 6. Schedule 2.
1971 c. 68.	The Finance Act 1971.	Section 64.
1971 c. 27 (N.I.).	The Finance Act (Northern Ireland) 1971.	Section 5(1) and (3).
1972 c. 41.	The Finance Act 1972.	Section 126.
1974 c. 30.	The Finance Act 1974.	Section 49. Section 57(3)(d). Schedule 11.

1. These repeals have effect in relation to instruments executed, or bearer instruments issued, on or after 1st October 1999, subject to paragraph 2.

2. The repeals do not have effect in relation to transfers or other instruments relating to units under a unit trust scheme.

This does not affect their operation in relation to—

(a) conveyances or transfers on sale of property other than units under a unit trust scheme in relation to which such units form the whole or part of the consideration; and

(b) bearer instruments constituting, or used for transferring, units under a unit trust scheme.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

1976 c. 40.	The Finance Act 1976.	In Part VI of Schedule 15, the provision amending section 33(1) of the Finance Act 1970.
1980 c. 48.	The Finance Act 1980.	Section 95.
1982 c. 39.	The Finance Act 1982.	Section 128.
1984 c. 43.	The Finance Act 1984.	Section 109. Section 111(1).
1986 c. 41.	The Finance Act 1986.	Sections 64 and 65. Section 78(1) to (6), (8) and (10) to (14). In section 79— (a) subsection (1); (b) subsections (9) to (11); and (c) in subsection (12), the words “(10) and (14)”. Section 80.
1987 c. 16.	The Finance Act 1987.	Section 49. Section 50(4) and (5). Section 51.
1988 c. 39.	The Finance Act 1988.	Sections 140 and 141.
1989 c. 26.	The Finance Act 1989.	Section 173.
1991 c. 31.	The Finance Act 1991.	Section 115.
1992 c. 2.	The Stamp Duty (Temporary Provisions) Act 1992.	The whole Act.
1993 c. 34.	The Finance Act 1993.	Section 201.
1994 c. 9.	The Finance Act 1994.	Section 241(3) to (5).
1996 c. 8.	The Finance Act 1996.	Section 188(2). In Schedule 40, paragraph 2.
1997 c. 58.	The Finance (No. 2) Act 1997.	Section 49.
1998 c. 36.	The Finance Act 1998.	Section 149.
1999 c. 16.	The Finance Act 1999.	Section 111.

1. These repeals have effect in relation to instruments executed, or bearer instruments issued, on or after 1st October 1999, subject to paragraph 2.

2. The repeals do not have effect in relation to transfers or other instruments relating to units under a unit trust scheme.

This does not affect their operation in relation to—

(a) conveyances or transfers on sale of property other than units under a unit trust scheme in relation to which such units form the whole or part of the consideration; and

(b) bearer instruments constituting, or used for transferring, units under a unit trust scheme.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

(3)

Stamp duty: penalties other than on late stamping

Chapter	Short title	Extent of repeal
1891 c. 38.	The Stamp Duties Management Act 1891.	In section 13, the words from “shall be guilty of felony” to the end. Section 26.
1891 c. 39.	The Stamp Act 1891.	Section 121.
1898 c. 46.	The Revenue Act 1898.	Section 7(5).
1986 c. 41.	The Finance Act 1986.	Section 68(6). Section 71(6).

These repeals have effect in relation to things done or omitted on or after 1st October 1999.

(4)

Stamp duty: obsolete enactments

Chapter	Short title	Extent of repeal
1891 c. 38.	The Stamp Duties Management Act 1891.	Sections 2(2) and (3). Sections 3 to 6. Section 8. Section 9(2) and (3). In section 11, the words from “deducting therefrom” to the end. Section 12. Sections 17 to 20. Section 25.

These repeals come into force on 1st October 1999.

(5)

Stamp duty: unit trusts

Chapter	Short title	Extent of repeal
1946 c. 64.	The Finance Act 1946.	Sections 54 to 57.
1946 c. 17 (N.I.).	The Finance (No. 2) Act (Northern Ireland) 1946.	Sections 25 to 28.
1963 c. 18.	The Stock Transfer Act 1963.	In section 2(3)(a), the words “and section 56(4) of the Finance Act 1946”.
1963 c. 24 (N.I.).	The Stock Transfer Act (Northern Ireland) 1963.	In section 2(3)(a), the words “and section 27(4)

1. These repeals have effect in relation to instruments executed on or after 6th February 2000.

2. The repeals of section 57(1A) and (1B) of the Finance Act 1946 and section 28(1A) and (1B) of the Finance (No.2) Act (Northern Ireland) 1946 have effect subject to paragraph 17(4) of Schedule 19 (saving for existing regulations).

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

		of the Finance (No. 2) Act (Northern Ireland) 1946”.
1963 c. 25.	The Finance Act 1963.	Section 65(2).
1963 c. 22 (N.I.).	The Finance Act (Northern Ireland) 1963.	Section 14(2).
1980 c. 48.	The Finance Act 1980.	Section 101.
1981 c. 35.	The Finance Act 1981.	Section 110.
1986 c. 41.	The Finance Act 1986.	Section 90(2).
1988 c. 39.	The Finance Act 1988.	Section 144(3). In Schedule 13, paragraph 21.
1989 c. 26.	The Finance Act 1989.	Section 174.
1990 c. 29.	The Finance Act 1990.	In section 109— (a) subsection (2)(c) and (d); (b) subsection (6)(a) and (b); and (c) subsection (9). Section 113(4).
1992 c. 41.	The Charities Act 1992.	In Schedule 6, paragraph 2.
1993 c. 10.	The Charities Act 1993.	In Schedule 6, paragraph 5.
1999 c. 16.	The Finance Act 1999.	In Schedule 17, paragraphs 4 and 5.

1. These repeals have effect in relation to instruments executed on or after 6th February 2000.

2. The repeals of section 57(1A) and (1B) of the Finance Act 1946 and section 28(1A) and (1B) of the Finance (No.2) Act (Northern Ireland) 1946 have effect subject to paragraph 17(4) of Schedule 19 (saving for existing regulations).

(6)

Repeals having effect on abolition date

Chapter	Short title	Extent of repeal
1999 c. 16.	The Finance Act 1999.	Section 113. Sections 116 to 121. In section 123(1) and (2), paragraph (b) and the word “and” immediately preceding it. In Schedule 13— (a) paragraph 3; (b) in paragraph 4, the words “in the case of any other conveyance or transfer on sale”;

These repeals have effect—

- so far as they relate to stamp duty on bearer instruments, in accordance with section 107 of the Finance Act 1990;
- so far as they relate to stamp duty on instruments other than bearer instruments, in accordance with section 108 of that Act;
- so far as they relate to stamp duty reserve tax, in accordance with section 110 of that Act.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

(c) paragraph 7(1)(b)(ii) to (iv);
(d) paragraph 24(a), (b) and (d).
In Schedule 14, paragraphs 5, 8, 12, 13, 16 to 21 and 23.
Schedule 15.
In Schedule 16, paragraphs 2 to 11.
In Schedule 17, paragraphs 6 to 8.
In Schedule 19—
(a) Parts I to III;
(b) in Part IV, the words “and the enactments relating to stamp duty reserve tax” in paragraphs 14(1), 15, 16, 17(1) and 18(1).

These repeals have effect—

- (a) so far as they relate to stamp duty on bearer instruments, in accordance with section 107 of the Finance Act 1990;
- (b) so far as they relate to stamp duty on instruments other than bearer instruments, in accordance with section 108 of that Act;
- (c) so far as they relate to stamp duty reserve tax, in accordance with section 110 of that Act.

PART VI

INTEREST ON CUSTOMS DUTY ETC

Chapter	Short title	Extent of repeal
1996 c. 8.	The Finance Act 1996.	In section 197(2), the word “and” at the end of paragraph (d).

PART VII

ELECTRONIC COMMUNICATIONS

Chapter	Short title	Extent of repeal
1970 c. 9	The Taxes Management Act 1970.	Section 115A. Schedule 3A.
1988 c. 1.	The Income and Corporation Taxes Act 1988.	In section 203(10), the words from “and, in particular” onwards.

1. Subsection (4) of section 133 of this Act shall apply in relation to these repeals as it applies in relation to subsection (3) of that section.

2. Without prejudice to section 17(2) of the Interpretation Act 1978, any provision made by regulations under an enactment to which any of these repeals relates shall have effect, on and after the coming into force of the repeal and to the extent that it could have been made under section 132 or 133 of this Act, as if it were a provision made under that section of this Act.

Status: Point in time view as at 22/03/2001.

Changes to legislation: Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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)

		Section 566(5).
1995 c. 4.	The Finance Act 1995.	Section 153. Schedule 28.
1998 c. 36.	The Finance Act 1998.	In Schedule 19, paragraph 43.

1. Subsection (4) of section 133 of this Act shall apply in relation to these repeals as it applies in relation to subsection (3) of that section.

2. Without prejudice to section 17(2) of the Interpretation Act 1978, any provision made by regulations under an enactment to which any of these repeals relates shall have effect, on and after the coming into force of the repeal and to the extent that it could have been made under section 132 or 133 of this Act, as if it were a provision made under that section of this Act.

Status:

Point in time view as at 22/03/2001.

Changes to legislation:

Finance Act 1999 is up to date with all changes known to be in force on or before 02 September 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.