



# Finance Act 2007

## CHAPTER 11

### FINANCE ACT 2007

#### PART 1

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###### *Inheritance tax*

- 4 Rates and rate bands for 2010-11

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- 6 Rates of tobacco products duty

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- 8 Remote gaming duty
- 9 Amusement machine licence duty

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- 10 Fuel duty rates and rebates

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- 11 Rates of vehicle excise duty
- 12 Rates of air passenger duty
- 13 Rates of climate change levy
- 14 Rate of aggregates levy
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- 28 Restriction on expenses of management
- 29 Life policies etc: effect of rebated or reinvested commission
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- 51 Venture capital schemes etc

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**PART 8**

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SCHEDULES

SCHEDULE 1 — Remote gaming duty

Part 1 — IMPOSITION OF DUTY

- 1 The sections set out below are to be inserted in...
- 2 Those sections are— Remote gaming duty Interpretation (1) For the purposes of remote gaming duty “remote gaming”...  
Part 2 — CONSEQUENTIAL AMENDMENTS
- 3 In BGDA 1981, before section 26N (non-sterling amounts) (as renumbered...

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- 4 In section 31 of that Act (protection of officers), after...
- 5 In section 32 of that Act (subordinate legislation), after subsection...
- 6 In section 33(2) of that Act (no legalising effect), after...

#### SCHEDULE 2 — Climate change levy: reduced-rate supplies etc

- 1 Introductory
- 2 Reduced-rate supplies
- 3 In paragraph 5(3) (supplies of electricity), for “or 24” substitute...
- 4 In paragraph 6(2A) (supplies of gas), after “24” insert “or...
- 5 (1) Paragraph 34 (other commodities: deemed supplies) is amended as...
- 6 In paragraph 39(1)(c) (regulations as to time of supply), for...
- 7 For paragraph 44 substitute— (1) For the purposes of this Schedule, a taxable supply...
- 8 (1) Paragraph 45 (reduced-rate supplies: variation of notices under paragraph...
- 9 After that paragraph insert— Reduced-rate supplies: deemed supply (1) This paragraph applies where— (a) a taxable supply has...
- 10 In paragraph 147 (interpretation), in the definition of “reduced-rate supply”—...
- 11 Notifications and certificates
- 12 (1) Paragraph 101 (civil penalties: incorrect notifications etc) is amended...
- 13 Commencement

#### SCHEDULE 3 — Managed service companies

##### Part 1 — AMENDMENTS OF ITEPA 2003

- 1 ITEPA 2003 is amended as follows.
  - 2 In section 7(5) (meaning of “employment income” etc), for paragraph...
  - 3 In section 48(2) (workers under arrangements made by intermediaries: scope...
  - 4 After section 61 insert— Chapter 9 Managed service companies Application...
  - 5 In section 218(1) (exclusion of lower-paid employments from parts of...
  - 6 After section 688 insert— Managed service companies: recovery from other...
  - 7 In section 717(4) (orders and regulations not subject to negative...
  - 8 In Part 2 of Schedule 1 (index of defined expressions),...
- ##### Part 2 — CALCULATION OF PROFITS OF MSCS: DEDUCTION FOR DEEMED EMPLOYMENT PAYMENTS
- 9 Deduction for deemed employment payments for income tax purposes
  - 10 Deduction for deemed employment payments for corporation tax purposes

#### SCHEDULE 4 — Restrictions on trade loss relief for partners

- 1 Limit on amount of sideways relief and capital gains relief available in any tax year
- 2 Disregard of contributions made for purpose of accessing sideways relief and capital gains relief
- 3 Provision corresponding to paragraphs 1 and 2 for tax year 2006-07
- 4 Consequential amendments
- 5 In section 32 (liability not dealt with in the calculation),...
- 6 In section 82(a) (exploitation of films), for “sections 115 and...
- 7 (1) Section 102 (overview of Chapter 3 of Part 4)...

- 8 After section 103 insert— Meaning of “limited partner” (1) In this Chapter “limited partner” means an individual who...
- 9 After section 103C (as inserted by paragraph 1(1) above) insert—...
- 10 In— (a) section 104(5) (restriction on reliefs for limited partners),...
- 11 In— (a) section 105(11) (meaning of “contribution to the firm”...
- 12 Omit section 106 (meaning of “limited partner”).
- 13 In section 112 (meaning of “non-active partner” and “early tax...
- 14 Omit the italic-cross heading before section 114 (regulations: exclusion of...
- 15 In section 115 (restrictions on reliefs for firms exploiting films),...
- 16 Omit section 116 (exclusion from restrictions under section 115: certain...
- 17 In section 792 (partners claiming excess sideways or capital gains...
- 18 In section 809 (individuals in partnership claiming relief for licence-related...
- 19 In paragraph 148(3)(b) of Schedule 2 (transitionals and savings: tax...
- 20 In Schedule 4 (index of defined expressions)—
- 21 The amendments made by paragraphs 5 to 20 are deemed...

#### SCHEDULE 5 — Avoidance involving financial arrangements

- 1 Amounts not forming part of a company’s income
- 2 (1) In section 660C of ICTA, omit subsection (4) (income...
- 3 Structured finance arrangements
- 4 In section 774D of ICTA (disregard of intended effects of...
- 5 In section 774E of ICTA (exceptions), in subsection (7)(a) (meaning...
- 6 (1) Section 774G of ICTA (minor definitions etc for purposes...
- 7 (1) The amendments made by paragraphs 3 to 5 and...
- 8 (1) Section 263E of TCGA 1992 (structured finance arrangements) is...
- 9 Manufactured payments under arrangements having an unallowable purpose
- 10 Options and groups of companies
- 11 Loan relationships: amounts not fully recognised for accounting purposes
- 12 Shares treated as loan relationships
- 13 (1) Section 91B of FA 1996 (non-qualifying shares) is amended...
- 14 (1) In section 103(1) of FA 1996 (interpretation of Chapter...
- 15 Exchange gains and losses where loan not on arm’s length terms
- 16 Loan relationships and collective investment schemes
- 17 Plant or machinery subject to a lease and finance leaseback
- 18 Derivative contracts: contracts treated for accounting purposes as financial asset or liability
- 19 Derivative contracts: transfers of value to connected companies

#### SCHEDULE 6 — Companies carrying on business of leasing plant or machinery

- 1 Company reconstructions without change of ownership
- 2 Sale etc of lessor companies etc

#### SCHEDULE 7 — Insurance business: gross roll-up business etc

##### Part 1 — AMENDMENTS

- 1 Taxes Management Act 1970 (c. 9)
- 2 Income and Corporation Taxes Act 1988 (c. 1)
- 3 (1) Section 76 (expenses of insurance companies) is amended as...

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- 4 Omit section 333B (involvement of insurance companies with plans and...
- 5 In section 403E (relief for overseas losses of UK resident...
- 6 (1) Section 431 (interpretative provisions relating to insurance companies) is...
- 7 In section 431A(3)(a) (power to amend), omit “and Schedule 19AA”....
- 8 After section 431B insert— Meaning of “child trust fund business”...
- 9 (1) Section 431D (meaning of “overseas life assurance business”) is...
- 10 After section 431E insert— Meaning of “gross roll-up business” In this Chapter “gross roll-up business” means business of any...
- 11 In section 431F (meaning of “basic life assurance and general...
- 12 In section 432ZA(7) (linked assets), for “long-term business other than...
- 13 (1) Section 432A (apportionment of income and gains) is amended...
- 14 (1) Section 432AA (Schedule A business or overseas property business)...
- 15 In section 432AB (losses from Schedule A business or overseas...
- 16 (1) Section 432B (apportionment of receipts brought into account) is...
- 17 For section 432C substitute— Section 432B apportionment: non-participating funds (1) This section specifies the extent to which the net...
- 18 Omit section 432D (section 432B apportionment: value of non-participating funds)....
- 19 (1) Section 432E (section 432B apportionment: participating funds) is amended...
- 20 In section 432F(2) (section 432B apportionment: supplementary provisions)—
- 21 For section 432G substitute— Section 432B apportionment: business transfers-in (1) There is referable to the life assurance business of...
- 22 (1) Section 434 (franked investment income etc) is amended as...
- 23 (1) Section 434A (computation of losses and limitation on relief)...
- 24 Omit section 436 (pension business: separate charge on profits).
- 25 Before section 437 insert— Gross roll-up business: separate charge on...
- 26 (1) Section 438 (pension business: exemption from tax) is amended...
- 27 Omit section 438B (income or gains arising from property investment...
- 28 Omit section 438C (determination of policy holders' share for purposes...
- 29 Omit section 439 (restricted government securities).
- 30 Omit section 439B (life reinsurance business: separate charge on profits)....
- 31 (1) Section 440 (transfers of assets etc) is amended as...
- 32 In section 440A(2) (securities)— (a) in paragraph (a), for subparagraphs...
- 33 In section 440B(4) (modifications where tax charged under Case I...
- 34 Omit section 441 (overseas life assurance business).
- 35 In section 444A(3) (transfers of business)— (a) for “436(3)(c) or...
- 36 (1) Section 444AC (transfers of business: excess of assets or...
- 37 (1) Section 444AF (demutualisation surplus: life assurance business) is amended...
- 38 (1) Section 444AK (mutual surplus: Case VI categories of life...
- 39 Omit sections 458 and 458A (capital redemption business).
- 40 In section 460(2) (registered friendly societies: exemption from tax in...



- 41 In section 461 (registered friendly societies: other business), omit subsection...
  - 42 In section 461B (incorporated friendly societies), omit subsection (2A).
  - 43 (1) Section 466 (interpretation of Chapter 2 of Part 12)...
  - 44 In section 502H(2)(a)(ii) and (4)(b) (insurance company as lessor), for...
  - 45 In section 539(3) (life policies, life annuities and capital redemption...
  - 46 (1) Section 553B (overseas life assurance business: capital redemption policies)...
  - 47 (1) Section 755A (treatment of chargeable profits and creditable tax...
  - 48 In section 804A(1) (life assurance companies with overseas branches etc:...
  - 49 (1) Section 804B (insurance companies carrying on more than one...
  - 50 In section 804C(14) (insurance companies: allocation of expenses etc in...
  - 51 (1) Section 804D (interpretation of section 804C in relation to...
  - 52 In section 804E (interpretation of section 804C in relation to...
  - 53 In section 806L(5) (carry forward or carry back of unrelieved...
  - 54 In section 808 (restriction on deduction of interest or dividends...
  - 55 Omit Schedule 19AA (overseas life assurance fund).
  - 56 In paragraph 2(1A)(a) of Schedule 25 (cases where section 747(3)...
  - 57 Finance Act 1989 (c. 26)
  - 58 In section 88(3A) (corporation tax: policy holders' fraction of profits),...
  - 59 In section 89(1A) (policy holders' share of profits), for paragraph...
  - 60 Taxation of Chargeable Gains Act 1992 (c. 12)
  - 61 In section 204(10) (policies of insurance and non-deferred annuities)—
  - 62 In section 210B— (a) omit paragraph (b) of subsection (6)...
  - 63 In section 212(2) (annual deemed disposal of holdings of certain...
  - 64 In section 213(1A) (spreading of gains and losses under section...
  - 65 Finance Act 1996 (c. 8)
  - 66 In paragraph 12(3) of Schedule 9 (loan relationships: special computational...
  - 67 (1) Schedule 11 (loan relationships: special provisions for insurers) is...
  - 68 Capital Allowances Act 2001 (c. 2)
  - 69 (1) Section 255 (apportionment of allowances and charges) is amended...
  - 70 (1) Section 256 (different giving effect rules for different categories...
  - 71 (1) Section 545 (investment assets) is amended as follows.
  - 72 Finance Act 2001 (c. 9)
  - 73 Finance Act 2002 (c. 23)
  - 74 (1) Schedule 12 (tax relief for expenditure on research and...
  - 75 (1) Schedule 26 (derivative contracts) is amended as follows.
  - 76 Income Tax (Trading and Other Income) Act 2005 (c. 5)
  - 77 In section 473(2) (policies and contracts to which Chapter 9...
  - 78 In section 476(3) (special rules: foreign policies), in the definition...
  - 79 In Schedule 2 (transitionals and savings etc), in paragraph 118(2),...
- Part 2 — TRANSITIONAL PROVISIONS
- 80 Introduction
  - 81 Carry forward of unused pension business losses
  - 82 Carry forward of unused non-pension business losses
  - 83 (1) In paragraph 82 “unused non-pension business loss”, in relation...
  - 84 “Section 432F(2) excesses”

SCHEDULE 8 — Insurance companies: basis of taxation etc

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#### Part 1 — AMENDMENTS

- 1 Income and Corporation Taxes Act 1988 (c. 1)
  - 2 (1) Section 76 (expenses of insurance companies) is amended as...
  - 3 In section 431(2) (interpretative provisions relating to insurance companies), insert...
  - 4 For section 432 (and the italic cross-heading before it) substitute—...
  - 5 In section 432A(7)(c)(ii) (apportionment of income and gains), for “85(2C)(c)”...
  - 6 In section 437(1A) (annuities), for “, otherwise than in accordance...
  - 7 Omit section 439A (taxation of pure reinsurance business).
  - 8 (1) Section 440B (modifications where tax charged under Case I...
  - 9 After that section insert— Modifications for change of tax basis...
  - 10 In section 755A(2) and (6)(a) (controlled foreign companies: apportionments to...
  - 11 Finance Act 1989 (c. 26)
  - 12 In section 83(6)(c) (receipts to be taken into account), for...
  - 13 In subsection (1) of section 85 (charge of certain receipts...
  - 14 After that section insert— Excess adjusted Case I profits (1) Where for any accounting period an insurance company is...
  - 15 (1) Section 88 (policy holders' fraction of profits) is amended...
  - 16 (1) Section 89 (policy holders' share of profits) is amended...
  - 17 Finance Act 1991 (c. 31)
  - 18 Taxation of Chargeable Gains Act 1992 (c. 12)
  - 19 Finance (No. 2) Act 1992 (c. 48)
  - 20 Finance Act 1996 (c. 8)
  - 21 Finance Act 1998 (c. 36)
  - 22 Capital Allowances Act 2001 (c. 2)
  - 23 In section 256(1) (different giving effect rules for different categories...
  - 24 In section 257(2) (life assurance: supplementary), for paragraphs (a) and...
  - 25 Finance Act 2002 (c. 23)
  - 26 In paragraph 13(1) of Schedule 12 (tax relief on R&D:...
  - 27 In Schedule 29 (gains and losses of a company from...
- Part 2 — TRANSITIONAL PROVISIONS
- 28 Unused pre-commencement section 76(12) etc excesses
  - 29 Shifts in basis of taxation at first post-commencement accounting period

#### SCHEDULE 9 — Insurance companies: transfers etc

- 1 Definition of “insurance business transfer scheme”
- 2 Transfer schemes: expenses, losses etc
- 3 Transfer schemes: deemed periodical returns
- 4 Transfer schemes: taxing the transferor
- 5 Transferor’s period of account including transfer
- 6 Transfer schemes: taxing the transferee
- 7 Repeal of section 444AD
- 8 Transfer schemes: anti-avoidance
- 9 Repeal of FA s.82C
- 10 Transfers: receipts to be taken into account
- 11 Transfers and demutualisations: losses where assets added to long-term insurance fund
- 12 In section 436A(3) of ICTA (gross roll-up business), for “83AB”...
- 13 Transfer schemes: old annuity contracts
- 14 Transfer schemes: no gain/no loss

- 15 Transfer schemes: old reinsurance business
- 16 Power to amend transfer provisions
- 17 Commencement

#### SCHEDULE 10 — Insurance companies: miscellaneous

- 1 Contingent loans
- 2 “Structural” assets
- 3 Losses on disposal of authorised investment fund assets to connected manager
- 4 Priority of section 83(2) of FA 1989 etc
- 5 Tidying up of TCGA 1992
- 6 Tidying up of Chapter 2 of Part 4 of FA 1996
- 7 Correction of erroneous repeal
- 8 Non-profit companies, non-profit funds and with-profits funds
- 9 Internal linked funds and net value
- 10 Fair value
- 11 Generalisation of definitions
- 12 (1) Section 431A (power to amend) is amended as follows....
- 13 In section 83A(1) of FA 1989 (“brought into account”)—
- 14 (1) Omit the following provisions. (2) In ICTA—
- 15 Minor changes
- 16 Obsolete etc provisions
- 17 Commencement

#### SCHEDULE 11 — Technical provisions made by general insurers

- 1 Restriction on amount of technical provisions made by general insurers
- 2 Enforcement
- 3 Supplementary
- 4 Repeal of section 107 of FA 2000
- 5 Commencement

#### SCHEDULE 12 — Friendly societies: transfers to insurance companies etc

- 1 Exempt life or endowment business
- 2 (1) Section 464 of ICTA (maximum benefits payable to members)...
- 3 In section 466(2) of ICTA, in the definition of “tax...”
- 4 Other exempt business
- 5 (1) Section 461B of ICTA (exemption of incorporated friendly societies)...
- 6 Commencement

#### SCHEDULE 13 — Sale and repurchase of securities

- 1 Purpose of Schedule
- 2 Meaning of debtor repo
- 3 Meaning of debtor quasi-repo
- 4 Ignoring effect on borrower of sale of securities: debtor repos, debtor quasi-repos and other arrangements
- 5 Relief for borrower for finance charges in respect of the advance: debtor repos and debtor quasi-repos
- 6 Ignoring sale and subsequent purchase for purposes of chargeable gains: debtor repos
- 7 Meaning of creditor repo
- 8 Meaning of creditor quasi-repo

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- 9 Ignoring effect on lender of sale of securities: creditor repos and creditor quasi-repos
- 10 Charge on lender for finance return in respect of the advance: creditor repos and creditor quasi-repos
- 11 Ignoring purchase and subsequent sale for purposes of chargeable gains: creditor repos
- 12 Repo under arrangement designed to produce quasi-interest: anti-avoidance
- 13 Requirements to deduct tax from manufactured payments: creditor repos and debtor repos
- 14 Interpretation etc
- 15 Power to modify Schedule

#### SCHEDULE 14 — Sale and repurchase of securities: minor and consequential amendments

- 1 Income and Corporation Taxes Act 1988 (c. 1)
- 2 (1) Section 231AA (no tax credit for borrower under stock...)
- 3 (1) Section 231AB (no tax credit for original owner under...)
- 4 Omit sections 730A and 730B (treatment of price differential on...)
- 5 Omit section 730BB (exchange gains and losses on sale and...)
- 6 (1) Section 731 (purchase and sale of securities: application and...)
- 7 Omit sections 737A to 737C (sale and repurchase of securities:...
- 8 Omit section 737E (power to modify sections 730A, 730BB and...)
- 9 In section 774E(4) (exceptions to sections 774B and 774D), for...
- 10 In section 807A (disposals and acquisitions of company loan relationships...
- 11 Taxation of Chargeable Gains Act 1992 (c. 12)
- 12 (1) Section 263A (agreements for sale and repurchase of securities)...
- 13 (1) For paragraph 12 of Schedule 7AC substitute— (1) This paragraph applies where— (a) a company (“the borrower”)...
- 14 Finance Act 1996 (c. 8)
- 15 In section 91C(3) (shares treated as loan relationships: condition 1...
- 16 (1) Section 97 (manufactured interest) is amended as follows.
- 17 In section 100 (money debts etc not arising from the...)
- 18 For paragraph 15 of Schedule 9 (and the italic cross-heading...)
- 19 Finance Act 1994 (c. 9)
- 20 Finance Act 2006 (c. 25)
- 21 Income Tax Act 2007 (c. 3)
- 22 In section 602(1)(b) (deemed manufactured payments: repos), for “the repurchase...
- 23 In section 607 (treatment of price differences under repos), after...
- 24 In section 886(2) (interest paid by recognised clearing houses etc),...

#### SCHEDULE 15 — Controlled foreign companies

- 1 Imputation of chargeable profits and creditable tax of controlled foreign companies
- 2 Residence
- 3 Elections and designations under section 749: supplementary provisions
- 4 Territories with a lower level of taxation
- 5 Reduction in chargeable profits for certain activities of EEA business establishments
- 6 Interpretation
- 7 Exempt activities test

- 8 Abolition of public quotation exemption
- 9 Discovery assessments
- 10 Commencement

#### SCHEDULE 16 — Venture capital schemes etc

##### Part 1 — LIMIT ON NUMBER OF EMPLOYEES OF COMPANY IN WHICH INVESTMENT IS MADE

- 1 Corporate venturing scheme
- 2 Enterprise investment scheme
- 3 Venture capital trusts

##### Part 2 — LIMIT ON AMOUNT RAISED ANNUALLY BY COMPANY THROUGH RISK CAPITAL SCHEMES

- 4 Corporate venturing scheme
- 5 Enterprise investment scheme
- 6 Venture capital trusts
- 7 Enterprise investment scheme: reinvestment
- 8 Transitional provision

##### Part 3 — EXCLUDED ACTIVITIES: RECEIPT OF ROYALTIES AND LICENCE FEES

- 9 Corporate venturing scheme
- 10 In paragraph 86(2) (substitution of new shares for old shares),...
- 11 Enterprise investment scheme
- 12 Venture capital trusts
- 13 Commencement
- 14 Transitional provision

##### Part 4 — MEANING OF “QUALIFYING 90% SUBSIDIARY”

- 15 Corporate venturing scheme
- 16 Enterprise investment scheme etc
- 17 Venture capital trusts
- 18 Commencement

##### Part 5 — OTHER AMENDMENTS

- 19 EIS: approved investment funds
- 20 VCTs: disposal of holding
- 21 VCTs: power to make regulations as to breaches of conditions

#### SCHEDULE 17 — Real Estate Investment Trusts

- 1 Part 4 of FA 2006 (REITs) is amended as follows....
- 2 In section 106 (conditions for company)— (a) in subsection (1),...
- 3 In section 107 (conditions for tax-exempt business)—
- 4 In section 108(2) (profit condition), for paragraph (b) substitute—
- 5 In section 109 (notice), after subsection (2) insert—
- 6 In section 115 (profit: financing cost ratio)—
- 7 In section 116 (minor or inadvertent breach)—
- 8 In section 117 (cancellation of tax advantage), insert at the...
- 9 In section 120 (calculation of profits)— (a) in paragraph (a)...
- 10 In section 123(a) (attribution of distributions), for “Condition 4” substitute...
- 11 After section 126 (movement of assets into ring fence) insert—...
- 12 In section 127 (interpretation), for “126” substitute “126A”.
- 13 In section 133 (early exit), insert at the end—
- 14 In section 138 (joint ventures), after subsection (3) insert—
- 15 In paragraph 3 of Schedule 16 (excluded income: owner-occupied property),...

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- 16 (1) Schedule 17 (modifications for groups) is amended as follows...
- 17 In section 505(1) of ICTA (charities: exemptions), after paragraph (a)...
- 18 In section 531 of ITA 2007 (charities: exemptions)—

SCHEDULE 18 — Pensions schemes: abolition of relief for life assurance premium contributions etc

- 1 Introduction
- 2 Life assurance premium contributions not to be relievable pension contributions
- 3 Life assurance premium contributions
- 4 Commencement: schemes other than occupational pension schemes
- 5 (1) This paragraph specifies when a policy of insurance is...
- 6 Commencement: occupational pension schemes
- 7 (1) This paragraph specifies when a policy of insurance is...
- 8 Power to amend commencement provisions

SCHEDULE 19 — Alternatively secured pensions and transfer lump sum death benefit etc

- 1 Introduction
- 2 Alternatively secured pension: guaranteed pension and maximum
- 3 In paragraph 12 of Schedule 28 (pension rules: alternatively secured...
- 4 Maximum dependants' alternatively secured pension
- 5 Abolition of transfer lump sum death benefit
- 6 Omit section 172B(5)(a) (reduction for transfer lump sum death benefit)...
- 7 In section 188(5) (amounts not to be treated as contributions),...
- 8 In section 280(2) (index), omit the entry relating to transfer...
- 9 In Schedule 29, omit paragraph 19 (transfer lump sum death...
- 10 In paragraph 17A of Schedule 36 (“enhanced protection”)—
- 11 Untraceable members
- 12 Increase in rights on death
- 13 After that section insert— Increase in rights on death arising...
- 14 Minimum alternatively secured pension and dependants' alternatively secured pension
- 15 In section 241(1) (scheme chargeable payment), after paragraph (a) insert—...
- 16 Charity lump sum death benefit
- 17 Discharge of liability to scheme chargeable payment
- 18 Non-UK schemes
- 19 Inheritance tax
- 20 (1) Section 151A (person dying with alternatively secured pension fund)...
- 21 (1) Section 151B (relevant dependant with pension fund inherited from...
- 22 After that section insert— Rate or rates of charge under...
- 23 (1) Section 151C (dependant dying with other pension fund) is...
- 24 In section 216(6)(ac) (delivery of account)— (a) after “occurs” insert...
- 25 In section 226(4) (payment), after “Act” insert “, or under...
- 26 In section 233(1)(c) (interest on unpaid tax), after “Act” insert...
- 27 In Schedule 2 (provisions applying on reduction of tax), omit...
- 28 Consequential amendment
- 29 Commencement

SCHEDULE 20 — Pension schemes etc: miscellaneous

- 1 Introduction
- 2 Persons by whom registered pension schemes may be established
- 3 Omit section 155 (persons by whom scheme may be established:...
- 4 In section 273 (members liable as scheme administrator)—
- 5 Unauthorised payments reduced by amount of scheme sanction charge
- 6 Surrenders
- 7 Scheme pensions where ill-health condition met
- 8 Unsecured and dependants' unsecured pensions: reference periods
- 9 Pension commencement lump sums
- 10 In section 219(7) (multiple benefit crystallisation events occurring by reason...
- 11 (1) Schedule 29 (authorised lump sums) is amended as follows....
- 12 Winding-up lump sums
- 13 Lump sum death benefits
- 14 Taxable property held by investment-regulated pension schemes: indirect holdings in REITs
- 15 Transitional provision: primary protection
- 16 Transitional provision: enhanced protection
- 17 (1) Paragraph 12 (when enhanced protection ceases) is amended as...
- 18 In paragraph 14 (relevant contributions), after sub-paragraph (3) insert —
- 19 (1) Paragraph 15 (relevant benefit accrual) is amended as follows....
- 20 Inheritance tax: lump sum death benefits
- 21 Benefits under employer-financed retirement benefits schemes
- 22 Consequential amendments
- 23 (1) In section 1(1) of the Pension Schemes Act 1993...
- 24 Commencement

SCHEDULE 21 — Exemptions from stamp duty and SDRT: intermediaries, repurchases etc

- 1 Intermediaries
- 2 (1) Section 80B of FA 1986 (exemption from stamp duty...
- 3 (1) Section 88A of FA 1986 (exemption from SDRT: sales...
- 4 (1) Section 88B of FA 1986 (exemption from SDRT on...
- 5 Repurchases and stock lending
- 6 (1) Section 89AA of FA 1986 (exemption from SDRT: repurchases...
- 7 Exemptions from stamp duty and SDRT in cases involving recognised investment exchanges
- 8 Consequential repeal

SCHEDULE 22 — Amendments and repeals consequential on extension of HMRC powers

Part 1 — AMENDMENTS

- 1 In section 20D(1) of TMA 1970, for “sections 20A, 20BA...
- 2 In section 67 of the Criminal Justice and Police Act...

Part 2 — REPEALS

- 3 The provisions listed below are omitted.
- 4 In TMA 1970— (a) sections 20C and 20CC (search warrants),...
- 5 In CEMA 1979— (a) section 118C(3)(c) (gaming duty), and
- 6 In BGDA 1981— (a) paragraph 16 of Schedule 1 (general...
- 7 Section 148(4) of FA 1989 (definition of “business” for purposes...
- 8 In VATA 1994— (a) section 72(9) (powers of arrest), and...

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- 9 In Schedule 7 to FA 1994 (insurance premium tax)—
- 10 In Schedule 5 to FA 1996 (landfill tax)—
- 11 In Schedule 6 to FA 2000 (climate change levy)—
- 12 In FA 2001 (aggregates levy)— (a) paragraph 6 of Schedule...
- 13 (1) In the Criminal Justice and Police Act 2001—
- 14 Section 36(2) and (3) of the Tax Credits Act 2002...
- 15 Section 323(3)(e) and (f) of the Proceeds of Crime Act...
- 16 Part 7 of Schedule 13 to FA 2003 (stamp duty)...
- 17 In CRCA 2005— (a) section 13(3)(b) and (c) (Commissioners' functions)...

#### SCHEDULE 23 — Extension of HMRC powers: Scotland

- 1 Criminal Law (Consolidation) (Scotland) Act 1995 (c. 39)
- 2 The heading to that Part becomes “Investigation of Revenue and...
- 3 At the beginning of that Part insert— Investigation of offences...
- 4 In section 24 (detention and questioning by customs officers)—
- 5 In section 25(1) (right to have someone informed of the...
- 6 In section 26 (detention in connection with drug smuggling offences),...
- 7 After that section insert— Power of arrest Power of arrest...
- 8 Criminal Procedure (Scotland) Act 1995 (c. 46)
- 9 In subsection (1), in the definition of “officer of law”,...
- 10 After that subsection insert— (1A) The inclusion of officers of...
- 11 Criminal Justice and Police Act 2001 (c. 16)
- 12 In section 63(2) (powers to obtain hard copies etc of...
- 13 In Schedule 1— (a) in Part 1, after paragraph 59...
- 14 (1) The amendments made by this Schedule come into force...

#### SCHEDULE 24 — Penalties for errors

##### Part 1 — LIABILITY FOR PENALTY

- 1 Error in taxpayer’s document
- 2 Under-assessment by HMRC
- 3 Degrees of culpability

##### Part 2 — AMOUNT OF PENALTY

- 4 Standard amount
- 5 Potential lost revenue: normal rule
- 6 Potential lost revenue: multiple errors
- 7 Potential lost revenue: losses
- 8 Potential lost revenue: delayed tax
- 9 Reductions for disclosure
- 10 (1) Where a person who would otherwise be liable to...
- 11 Special reduction
- 12 Interaction with other penalties

##### Part 3 — PROCEDURE

- 13 Assessment
- 14 Suspension
- 15 Appeal
- 16 An appeal may be brought to— (a) the General Commissioners,...
- 17 (1) On an appeal under paragraph 15(1) the appellate tribunal...

##### Part 4 — MISCELLANEOUS

- 18 Agency
- 19 Companies: officers' liability
- 20 Partnerships
- 21 Double jeopardy



Part 5 — GENERAL

- 22 Interpretation
- 23 HMRC means Her Majesty's Revenue and Customs.
- 24 An expression used in relation to income tax has the...
- 25 An expression used in relation to corporation tax has the...
- 26 An expression used in relation to capital gains tax has...
- 27 An expression used in relation to VAT has the same...
- 28 In this Schedule— (a) a reference to corporation tax includes...
- 29 Consequential amendments
- 30 In paragraph 7 of Schedule 1 to the Social Security...
- 31 In paragraph 7 of Schedule 1 to the Social Security...

SCHEDULE 25 — Amendments connected with Gambling Act 2005

Part 1 — AMENDMENTS OF THE TAX ACTS

- 1 Exemption from corporation tax for profits of charitable companies from certain lotteries
- 2 Exemption from income tax for profits of charitable trusts from certain lotteries

Part 2 — AMENDMENTS OF BGDA 1981

- 3 Introductory
- 4 Bookmakers: spread bets
- 5 Liability to pay general betting duty
- 6 Bet-brokers
- 7 Definitions for purposes of betting duties
- 8 Combined bingo
- 9 Definitions for purposes of bingo duty
- 10 Definition of “gaming”
- 11 Supplementary provisions as to betting duties
- 12 Exemptions from bingo duty

Part 3 — AMENDMENTS OF FA 1993 RELATING TO LOTTERY DUTY

- 13 Introductory
- 14 Charge to lottery duty
- 15 Disclosure of information

Part 4 — AMENDMENTS OF FA 1997 RELATING TO GAMING DUTY

- 16 Introductory
- 17 Charge to gaming duty
- 18 Banker's profits from gaming
- 19 Definition of “gaming”
- 20 Gaming Duty Register

Part 5 — MISCELLANEOUS AMENDMENTS

- 21 Provision of FA 1966 relating to repealed law
- 22 Customs and Excise Management Act 1979

Part 6 — COMMENCEMENT

- 23 (1) Paragraphs 3, 4, 6, 7(1) and (5), 11(1) and...

SCHEDULE 26 — Meaning of “recognised stock exchange” etc

- 1 Meaning of “recognised stock exchange” etc in Tax Acts and TCGA 1992
- 2 For section 841 of ICTA substitute— Meaning of “recognised stock...
- 3 In section 288 of TCGA 1992 (interpretation), after subsection (5)...
- 4 Valuation of shares listed on recognised stock exchange for purposes of TCGA 1992 etc
- 5 (1) In ITTOIA 2005, for sections 450 and 451 substitute—...

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- 6 Minor and consequential amendments
- 7 (1) ICTA is amended as follows. (2) In section 210(4)...
- 8 (1) TCGA 1992 is amended as follows.
- 9 In paragraph 4(2C)(b) of Schedule 26 to FA 2002 (derivative...
- 10 (1) ITEPA 2003 (persons to whom section 421J applies) is...
- 11 (1) ITTOIA 2005 is amended as follows.
- 12 (1) ITA 2007 is amended as follows.

SCHEDULE 27 — Repeals

- Part 1 — ENVIRONMENT
- Part 2 — INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX
- Part 3 — PENSIONS
- Part 4 — SDLT, STAMP DUTY AND SDRT
- Part 5 — INVESTIGATION, ADMINISTRATION ETC
- Part 6 — MISCELLANEOUS