



Number 7 of 2001

FINANCE ACT, 2001

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[2001.]

Finance Act, 2001.

[No. 7.]

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[No. 7.]

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| Customs Consolidation Act, 1876 | 39 & 40 Vict., c. 36 |
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| Electronic Commerce Act, 2000 | 2000, No. 27 |
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| Excise Act, 1828 | 9 Geo. 4, c. 44 |
| Excise Management Act, 1827 | 7 & 8 Geo. 4, c. 53 |
| Excise Management Act, 1834 | 4 & 5 Will. 4, c. 51 |
| Excise Management Act, 1841 | 4 & 5 Vict., c. 20 |
| Family Law Act, 1995 | 1995, No. 26 |
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| Finance Act, 1900 | 63 & 64 Vict., c. 7 |
| Finance Act, 1901 | 10 1 Edw. 7, c. 7 |
| Finance Act, 1902 | 10 2 Edw. 7, c. 7 |
| Finance Act, (1909-10) Act, 1910 | 10 Edw. 7. & 1 Geo. 5, c. 8 |
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| Finance Act, 1963 | | 1963, No. 23 |
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| Housing (Miscellaneous Provisions) Act, 1979 | | 1979, No. 27 |
| Housing (Miscellaneous Provisions) Act, 1992 | | 1992, No. 12 |
| Illicit Distillation (Ireland) Act, 1831 | | 1 & 2 Will. 4, c. 55 |
| Immature Spirits (Restriction) Act, 1947 | | 1947, No. 12 |
| Industrial Development Act, 1995 | | 1995, No. 28 |
| Inland Revenue Act, 1880 | | 43 & 44 Vict., c. 20 |
| Inland Revenue Regulations Act, 1890 | | 53 & 54 Vict., c. 21 |
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| Intoxicating Liquor Act, 1988 | | 1988, No. 16 |
| Intoxicating Liquor Act, 2000 | | 2000, No. 17 |
| Intoxicating Liquor (National Concert Hall) Act, 1983 | | 1983, No. 34 |
| Investment Intermediaries Act, 1995 | | 1995, No. 11 |

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| Local Authorities (Higher Education Grants) Acts, 1968 to 1992 | | |
| Local Government (Planning and Development) Acts, 1963 to 1999 | | |
| Local Government (Sanitary Services) Act, 1964 | | 1964, No. 29 |
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| Petroleum and Other Minerals Development Act, 1960 | | 1960, No. 7 |
| Planning and Development Act, 2000 | | 2000, No. 30 |
| Probation of Offenders Act, 1907 | | 7 Edw. 7, c. 17 |
| Qualifications (Education and Training) Act, 1999 | | 1999, No. 26 |
| Revenue (No. 2) Act, 1865 | | 28 & 29 Vict., c. 96 |
| Revenue Act, 1867 | | 30 & 31 Vict., c. 90 |
| Revenue Act, 1884 | | 47 & 48 Vict., c. 62 |
| Revenue Act, 1889 | | 52 & 53 Vict., c. 42 |
| Revenue Act, 1898 | | 61 & 62 Vict., c. 46 |
| Revenue Act, 1906 | | 6 Edw. 7, c. 20 |
| Road Traffic Act, 1961 | | 1961, No. 24 |
| Road Traffic Act, 1968 | | 1968, No. 25 |
| Road Transport Act, 1932 | | 1932, No. 2 |
| Scientific and Technological Education (Investment) Fund Act, 1997 | | 1997, No. 46 |
| Scientific and Technological Education (Investment) Fund (Amendment) Act, 1998 | | 1998, No. 53 |
| Social Welfare Act, 2000 | | 2000, No. 4 |
| Social Welfare (Consolidation) Act, 1993 | | 1993, No. 27 |
| Spirits Act, 1880 | | 43 & 44 Vict., c. 24 |
| Spirits (Ireland) Act, 1854 | | 17 & 18 Vict., c. 89 |
| Stamp Duties Consolidation Act, 1999 | | 1999, No. 31 |
| Stock Exchange Act, 1995 | | 1995, No. 9 |
| Taxes Consolidation Act, 1997 | | 1997, No. 39 |
| Tourism Traffic Act, 1939 | | 1939, No. 24 |
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Number 7 of 2001

FINANCE ACT, 2001

AN ACT TO PROVIDE FOR THE IMPOSITION, REPEAL, REMISSION, ALTERATION AND REGULATION OF TAXATION, OF STAMP DUTIES AND OF DUTIES RELATING TO EXCISE AND OTHERWISE TO MAKE FURTHER PROVISION IN CONNECTION WITH FINANCE INCLUDING THE REGULATION OF CUSTOMS.

[30th March, 2001]

BE IT ENACTED BY THE OIREACHTAS AS FOLLOWS:

PART 1

INCOME TAX, CORPORATION TAX AND CAPITAL GAINS TAX

CHAPTER 1

Interpretation

1.—In this Part “Principal Act” means the Taxes Consolidation Act, 1997. Interpretation
(Part 1).

CHAPTER 2

Income Tax

2.—(1) Where an individual is entitled under a provision of the Principal Act mentioned in *column (1)* of the Table to this subsection to have the income tax to be charged on the individual, other than in accordance with the provisions of section 16(2) of the Principal Act, reduced for the year of assessment 2001 or any subsequent year of assessment and the amount of the reduction would, but for this section, be an amount which is the lesser of— Tax credits.

(a) an appropriate percentage of an amount (in this section referred to as the “standard-rated allowance”) specified in *column (2)* of that Table, and

(b) the amount which reduces that liability to nil,

the amount of the reduction in accordance with *paragraph (a)* shall, in lieu of being the standard-rated allowance, be the amount of the

tax credit specified in *column (3)* or *column (4)*, as may be appropriate, of the Table opposite the mention of the amount in *column (2)*.

TABLE

| Statutory Provision (1) | Standard rated allowance for the year (2) | Tax credit for the year 2001 (3) | Tax credit for the year 2002 and subsequent years (4) |
|---|--|-------------------------------------|--|
| Section 461 (married person) | £9,400 | £1,628 | €2,794 |
| (widowed person bereaved in the year of assessment) | £9,400 | £1,628 | €2,794 |
| (single person) | £4,700 | £814 | €1,397 |
| Section 461A (additional relief for certain widowed persons) | £1,000 | £148 | €254 |
| Section 462 (additional relief for single parents) | £4,700 | £814 | €1,397 |
| Section 463 (additional relief for widowed parent following death of spouse) | | | |
| (1st year) | £10,000 | £2,000 | €2,540 |
| (2nd year) | £8,000 | £1,600 | €2,032 |
| (3rd year) | £6,000 | £1,200 | €1,524 |
| (4th year) | £4,000 | £800 | €1,016 |
| (5th year) | £2,000 | £400 | €508 |
| Section 464 (aged person) | | | |
| (married person) | £1,600 | £238 | €408 |
| (single person) | £800 | £119 | €204 |
| Section 465 (incapacitated child) | £1,600 | £238 | €408 |
| Section 466 (dependent relative) | £220 | £33 | €56 |
| Section 466A (home carer) | £3,000 | £444 | €762 |
| Section 468 (blind person) | £3,000 | £444 | €762 |
| (both spouses blind) | £6,000 | £888 | €1,524 |
| Section 472 (employee) | £1,000 | £296 | €508 |

(2) Section 7 of the Finance Act, 1999, and sections 4, 5, 6, 7, 8, 9, 10, 11 and 12 of the Finance Act, 2000, shall apply subject to the provisions of this section.

(3) *Schedule 1* shall have effect for the purposes of supplementing *subsection (1)*.

3.—Section 15 of the Principal Act is amended—

(a) as respects the year of assessment 2001 and subsequent years of assessment, by the substitution of the following for subsection (4):

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“(4) For the purposes of subsection (3), ‘specified income’ means total income after deducting from such income any deduction attributable to a specific source of income and any relevant interest within the meaning of Chapter 4 of Part 8.”, Pr.1 S.3

(b) as respects the year of assessment 2001—

- (i) by the substitution in subsection (3) of “£8,140” for “£6,000”, and
- (ii) by the substitution of the following Table for the Table to that section:

“TABLE

PART 1

| Part of taxable income (1) | Rate of tax (2) | Description of rate (3) |
|-------------------------------|--------------------|----------------------------|
| The first £14,800 | 20 per cent | the standard rate |
| The remainder | 42 per cent | the higher rate |

PART 2

| Part of taxable income (1) | Rate of tax (2) | Description of rate (3) |
|-------------------------------|--------------------|----------------------------|
| The first £17,131 | 20 per cent | the standard rate |
| The remainder | 42 per cent | the higher rate |

PART 3

| Part of taxable income (1) | Rate of tax (2) | Description of rate (3) |
|-------------------------------|--------------------|----------------------------|
| The first £21,460 | 20 per cent | the standard rate |
| The remainder | 42 per cent | the higher rate |

”,

and

- (c) as respects the year of assessment 2002 and subsequent years of assessment—
 - (i) by the substitution in subsection (3) of “€13,967” for “£6,000”, and
 - (ii) by the substitution of the following Table for the Table to that section:

“TABLE

PART 1

| Part of taxable income (1) | Rate of tax (2) | Description of rate (3) |
|-------------------------------|--------------------|----------------------------|
| The first €25,395 | 20 per cent | the standard rate |
| The remainder | 42 per cent | the higher rate |

PART 2

| Part of taxable income (1) | Rate of tax (2) | Description of rate (3) |
|-------------------------------|--------------------|----------------------------|
| The first €29,395 | 20 per cent | the standard rate |
| The remainder | 42 per cent | the higher rate |

PART 3

| Part of taxable income (1) | Rate of tax (2) | Description of rate (3) |
|-------------------------------|--------------------|----------------------------|
| The first €36,823 | 20 per cent | the standard rate |
| The remainder | 42 per cent | the higher rate |

”.

Age exemption.

4.—Section 188 of the Principal Act is amended—

(a) as respects the year of assessment 2001 and subsequent years of assessment—

(i) by the substitution of the following for subsections (1) and (2):

“(1) In this section and in section 187—

‘income tax payable’ has the same meaning (inserted by the *Finance Act, 2001*) as in section 3, but without regard to any reduction of tax under section 244;

‘total income’ has the same meaning as in section 3, but includes income arising outside the State which is not chargeable to tax.

(2) In this section, ‘the specified amount’ means, subject to section 187(2)—

(a) in a case where the individual would apart from this section be entitled to a tax credit specified in section 461(a) (inserted by the *Finance Act, 2001*), £12,580, and

(b) in any other case, £6,290.”,

and

(ii) in subsection (3), by the substitution for “relief under section 461(2) as an individual referred to in paragraph (a)(i) of the definition of ‘specified amount’ in subsection (1) of that section” of “a tax credit specified in section 461(a)”,

and

(b) as respects the year of assessment 2002 and subsequent years of assessment, by the substitution, in subsection (2)

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(inserted by *paragraph (a)*), of “€21,586” for “£12,580” Pr.1 S.4
and of “€10,793” for “£6,290”.

5.—Section 122 of the Principal Act is amended, as respects the year of assessment 2001 and subsequent years of assessment, by the substitution in the definition of “the specified rate” in paragraph (a) of subsection (1) of—

Amendment of section 122 (preferential loan arrangements) of Principal Act.

(a) “6 per cent” for “4 per cent” in both places where it occurs, and

(b) “12 per cent” for “10 per cent”,

and the said definition, as so amended, is set out in the Table to this section.

TABLE

“the specified rate”, in relation to a preferential loan, means—

(i) in a case where—

(I) the interest paid on the preferential loan qualifies for relief under section 244, or

(II) if no interest is paid on the preferential loan, the interest which would have been paid on that loan (if interest had been payable) would have so qualified,

the rate of 6 per cent per annum or such other rate (if any) prescribed by the Minister for Finance by regulations,

(ii) in a case where—

(I) the preferential loan is made to an employee by an employer,

(II) the making of loans for the purposes of purchasing a dwelling house for occupation by the borrower as a residence, for a stated term of years at a rate of interest which does not vary for the duration of the loan, forms part of the trade of the employer, and

(III) the rate of interest at which, in the course of the employer’s trade at the time the preferential loan is or was made, the employer makes or made loans at arm’s length to persons, other than employees, for the purposes of purchasing a dwelling house for occupation by the borrower as a residence is less than 6 per cent per annum or such other rate (if any) prescribed by the Minister for Finance by regulations,

the first-mentioned rate in subparagraph (III), or

(iii) in any other case, the rate of 12 per cent per annum or such other rate (if any) prescribed by the Minister for Finance by regulations.

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Amendment of section 126 (tax treatment of certain benefits payable under Social Welfare Acts) of Principal Act.

6.—Section 126 of the Principal Act is amended by the substitution, in subsection (8), of the following for paragraph (b) (inserted by the Finance Act, 2000):

“(b) Notwithstanding subsection (3) and the Finance Act, 1992 (Commencement of Section 15) (Unemployment Benefit and Pay-Related Benefit) Order, 1994 (S.I. No. 19 of 1994), subsection (3)(b) shall not apply in relation to unemployment benefit paid or payable, in the period commencing on 6 April 1997 and ending on 31 December 2001, to a person employed in short-time employment.”.

Amendment of section 467 (employed person taking care of incapacitated individual) of Principal Act.

7.—Section 467 of the Principal Act is amended by the substitution of—

- (a) as respects the year of assessment 2001, “£7,400” for “£8,500” in both places where it occurs, and
- (b) as respects the year of assessment 2002 and subsequent years of assessment, “€12,700” for “£8,500” in both places where it occurs.

Amendment of section 469 (relief for health expenses) of Principal Act.

8.—As respects the year of assessment 2001 and subsequent years of assessment, subsection (1) of section 469 of the Principal Act is amended—

- (a) in the definition of “dependant”—
 - (i) by the substitution in paragraph (b) of “under section 465,” for “under section 465 or 466, and”,
 - (ii) by the substitution in subparagraph (ii) of paragraph (c) of “year of assessment, and” for “year of assessment;”, and
 - (iii) by the insertion of the following paragraph after paragraph (c):
 - “(d) any other person being—
 - (i) a relative of the individual, or of the individual’s spouse, who is incapacitated by old age or infirmity from maintaining himself or herself,
 - (ii) the widowed father or widowed mother of the individual or of the individual’s spouse, whether incapacitated or not, or
 - (iii) a son or daughter of the individual who resides with the individual and on whose services the individual, by reason of old age or infirmity, is compelled to depend;”,

- (b) by the insertion of the following after the definition of “dependant”:

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“‘educational psychologist’ means a person who is entered on a register maintained by the Minister for Education and Science for the purposes of this section in accordance with guidelines set down by that Minister with the consent of the Minister for Finance;”

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- (c) in the definition of “health care”, by the deletion of “other than routine maternity care”,
- (d) in the definition of “health expenses”, by the insertion of the following after paragraph (h):

“(i) as respects a dependant of the individual referred to in paragraphs (b) and (c) of the definition of ‘dependant’ either or both—

(I) educational psychological assessment carried out by an educational psychologist, and

(II) speech and language therapy carried out by a speech and language therapist;”

- (e) by the deletion of the definition of “routine maternity care”, and

- (f) by the insertion of the following after the definition of “routine ophthalmic treatment”:

“‘speech and language therapist’ means a person approved of for the purposes of this section by the Minister for Health and Children in accordance with guidelines set down by that Minister with the consent of the Minister for Finance.”.

9.—Section 473 of the Principal Act is amended—

Amendment of section 473 (allowance for rent paid by certain tenants) of Principal Act.

- (a) as respects the year of assessment 2001, by the substitution in subsection (1) of the following definition for the definition of “the specified limit”:

“‘specified limit’, in relation to an individual for a year of assessment, means—

(a) in the case of—

(i) a married person assessed to tax in accordance with section 1017, or

(ii) a widowed person,

£1,480; but, if at any time during the year of assessment the individual was of the age of 55 years or over, ‘specified limit’ means £2,960, and

(b) in any other case, £740; but, if at any time during the year of assessment the individual was of the age of 55 years or over, ‘specified limit’ means £1,480;”

and

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(b) as respects the year of assessment 2002 and subsequent years of assessment, by the substitution in subsection (1) of the following definition for the definition of “the specified limit”:

“‘specified limit’, in relation to an individual for a year of assessment, means—

(a) in the case of—

(i) a married person assessed to tax in accordance with section 1017, or

(ii) a widowed person,

€2,540; but, if at any time during the year of assessment the individual was of the age of 55 years or over, ‘specified limit’ means €5,080, and

(b) in any other case, €1,270; but, if at any time during the year of assessment the individual was of the age of 55 years or over, ‘specified limit’ means €2,540;”.

Amendment of section 477 (relief for service charges) of Principal Act.

10.—Section 477 of the Principal Act is amended—

(a) as respects the year of assessment 2001 and subsequent years of assessment, by the substitution in paragraph (a) of subsection (6) of “subject to paragraph (d),” for “subject to paragraph (c),”

(b) as respects the year of assessment 2001, by the substitution in paragraph (a) of subsection (7) of “£150” for “£50”, and

(c) as respects the year of assessment 2002 and subsequent years of assessment, by the substitution in paragraph (a) of subsection (7) of “€195” for “£50”.

Relief for trade union subscriptions.

11.—(1) The Principal Act is amended as respects the year of assessment 2001 and subsequent years of assessment—

(a) by the insertion in Part 2 of the Table to section 458 of the following after “section 472”:

“section 472C”,

(b) by the insertion after section 472B of the following section:

“Relief for trade union subscriptions.

472C.—(1) In this section—

‘appropriate percentage’, in relation to a year of assessment, means a percentage equal to the standard rate of tax for that year;

‘specified amount’, in relation to an individual for a year of assessment, means £74;

‘trade union’ means a body which is either—

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- (a) the holder of a negotiation licence under the Trade Union Act, 1941, Pr.1 S.11
- (b) an excepted body within the meaning of section 6 of that Act as amended by the Trade Union Act, 1942,
- (c) a garda representative body established under the Garda Síochána Act, 1977, namely—
- (i) the association known as the Association of Garda Sergeants and Inspectors established under regulation 5(1) of the Garda Síochána (Associations) Regulations, 1978 (S.I. No. 135 of 1978),
 - (ii) the association known as the Garda Representative Association established under regulation 4(1) of the Garda Síochána (Associations) Regulations, 1978,
 - (iii) the association known as the Association of Garda Superintendents established under regulation 4(1) of the Garda Síochána (Associations) (Superintendents and Chief Superintendents) Regulations, 1987 (S.I. No. 200 of 1987),

or

- (d) a Defence Forces representative body established under section 2 of the Defence (Amendment) Act, 1990, and regulations pursuant to that Act.

(2) Where an individual is a member of a trade union at any time in a year of assessment (being the year of assessment 2001 or a subsequent year of assessment), the income tax to be charged on the individual or, in the case of an individual whose spouse is assessed to tax in accordance with the provisions of section 1017, the individual's spouse, for the year of assessment, other than in accordance with section 16(2), shall, subject to the following provisions of this section, be reduced by the lesser of—

- (a) the appropriate percentage of the specified amount, or

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(b) the amount which reduces that income tax to nil.

(3) Notwithstanding subsection (2), the relief (if any) to which an individual is entitled under this section for the year of assessment 2001 shall, in addition to the relief (if any) to which the individual is entitled for the year of assessment 2002, be allowed to the individual in accordance with the provisions of subsection (2), in respect of the income tax to be charged on the individual for the year of assessment 2002.

(4) Relief under this section shall be allowed in priority to relief under any of the other provisions mentioned in the Table to section 458.

(5) Where the relief (if any) to which an individual is entitled under this section in respect of income tax to be charged on the individual for the year of assessment 2001 is not wholly allowed to the individual in respect of the income tax to be charged on the individual for the year of assessment 2002 owing to an insufficiency of total income of the individual in that year of assessment, the portion of the relief not so allowed shall be allowed to the individual in respect of the income tax to be charged on the individual for the year of assessment 2001 such relief being limited to the lesser of—

(a) the portion of the relief not so allowed, and

(b) the relief which reduces that income tax to nil.

(6) If an individual is a member of more than one trade union, either at the same time or at different times in a year of assessment, the individual shall be treated, for the purposes of the relief under this section, as if the individual were a member of one trade union only in that year of assessment.

(7) (a) Notwithstanding the provisions of any other enactment—

(i) an employer of individuals entitled to relief under this section, or

(ii) a trade union of which such individuals are or were members,

shall on receipt of a request from the Revenue Commissioners furnish to them

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either directly or indirectly the following information, to the extent that such information is in their possession, in relation to any such individual—

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(I) the name and address of the individual,

(II) the name of the trade union of which the individual is a member,

(III) the Personal Public Service Number of the individual, and

(IV) the name and address of the employer of the individual.

(b) A return by an employer or a trade union under paragraph (a) shall, unless the Revenue Commissioners otherwise direct, be in an electronic format approved by the Revenue Commissioners.

(8) (a) The information referred to in subsection (7)(a) shall be used by the Revenue Commissioners for the purposes of facilitating the granting of relief under this section and shall be used for no other purpose.

(b) The provisions of section 872 shall not apply or have effect in relation to such information.”,

and

(c) by the insertion in section 1024(2)(a) of the following after subparagraph (viii):

“(viiiia) relief under section 472C, to the husband or the wife according as he or she is entitled to the relief under the said section;”.

(2) As respects the year of assessment 2002 and subsequent years of assessment, section 472C (as inserted by *subsection (1)*) of the Principal Act is amended, in the definition of “specified amount” in subsection (1), by the substitution of “€130” for “£74”.

12.—Part 16 of the Principal Act is amended—

(a) in section 489, by the substitution in subsection (15), of “commencing on 6 April 1984 and ending on 31 December 2001” for “commencing on the 6th day of April, 1984, and ending on the 5th day of April, 2001”,

Amendment of Part 16 (income tax relief for investment in corporate trades — business expansion scheme and seed capital scheme) of Principal Act.

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(b) in section 490, by the substitution, in both subsections (3)(b) and (4)(b), of “the year of assessment 2001” for “the year 2000-01”, and

(c) in section 496(2)(a)(ii)—

(i) by the substitution in clause (II) of “Shannon Free Airport Development Company Limited,” for “Shannon Free Airport Development Company Limited, or”,

(ii) by the substitution in clause (III) of “Údarás na Gaeltachta Act, 1979, or” for “Údarás na Gaeltachta Act, 1979,”, and

(iii) by the insertion of the following after clause (III):

“(IV) as respects a subscription for eligible shares issued on or after 6 April 2001, a County Enterprise Board (being a board referred to in the Schedule to the Industrial Development Act, 1995) has, in accordance with the provisions of that Act, made a loan or grant to, or made an equity investment in, the qualifying company concerned.”.

Employee share ownership trusts — deceased beneficiaries.

13.—The Principal Act is amended—

(a) in section 519—

(i) in subsection (5)(a)—

(I) by the substitution in subparagraph (iv) of “the trust deed,” for “the trust deed, and”, and

(II) by the insertion after subparagraph (iv) of the following:

“(iva) the payment of any sum or the transfer of securities to the personal representatives of a deceased beneficiary under the terms of the trust deed, and”,

(ii) by the substitution of the following for subsection (7A):

“(7A) Where the trustees of a trust to which this section applies sell securities on the open market, any gain accruing to such trustees shall not be a chargeable gain if, and to the extent that, the proceeds of such sale are used—

(a) to repay monies borrowed by those trustees,

(b) to pay interest on such borrowings, or

(c) to pay a sum to the personal representatives of a deceased beneficiary.”.

(iii) by the insertion of the following after subsection (8):

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“(8A) Where the trustees of a trust to which this section applies transfer securities to the personal representatives of a deceased beneficiary, any gain accruing to the trustees on that transfer shall not be a chargeable gain.” Pr.1 S.13

(8B) The payment of any sum as is referred to in subsection (7A)(c) or the transfer of any securities to which subsection (8A) applies shall, notwithstanding any other provision of the Income Tax Acts, be exempt from income tax.”

(iv) in subsection (9)—

(I) by the substitution for “subsections (1) to (8)” of “subsections (1) to (8B)”,

(II) by the substitution in paragraph (c) of “Schedule 11,” for “Schedule 11, or”, and

(III) by the insertion after paragraph (c) of the following:

“(ca) the payment of any sum or the transfer of securities to the personal representatives of a deceased beneficiary of the trust, or”,

and

(v) by the insertion of the following after subsection (9):

“(10) For the purposes of this section—

‘deceased beneficiary’ means a person who on the date of such person’s death—

(a) would have been eligible to have shares appropriated to him or her, had such shares been available for appropriation, under a scheme approved of by the Revenue Commissioners under Schedule 11 and for which approval has not been withdrawn, and

(b) was a beneficiary under the terms of a trust deed of an employee share ownership trust approved of by the Revenue Commissioners under Schedule 12 and for which approval has not been withdrawn and which trust deed contained provision for the transfer of securities to the trustees of the scheme referred to in paragraph (a) and for the payment of sums and for the transfer of securities to the personal representatives of deceased beneficiaries.”

and

(b) in Schedule 12—

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- (i) by the insertion in subparagraph (2) of paragraph 12, of the following after clause (d):

“(da) to pay any sum or to transfer securities to the personal representatives of deceased persons who were beneficiaries under the terms of the trust deed;”,

and

- (ii) by the insertion, in subparagraph (3) of paragraph 13, of the following after clause (d):

“(da) the payment of any sum to the personal representatives of a deceased person who was a beneficiary under the terms of the trust deed;”.

Amendment of Schedule 13 (accountable persons for purposes of Chapter 1 of Part 18) to Principal Act.

14.—Schedule 13 to the Principal Act is amended—

- (a) by the substitution of “13. The Civil Service and Local Appointments Commissioners.” for paragraph 13,
(b) by the substitution of “42. Bord na Móna plc.” for paragraph 42,
(c) by the deletion of paragraphs 60 and 88, and
(d) by the addition of the following after paragraph 103:

- “104. The Eastern Regional Health Authority, the Health Boards Executive or an area health board established under the Health (Eastern Regional Health Authority) Act, 1999.
105. Irish Sports Council.
106. An Bord Uchtála.
107. Council for Children’s Hospitals’ Care.
108. National Disability Authority.
109. Aquaculture Licences Appeals Board.
110. Office of the President.
111. Director of Equality Investigations.
112. Director of Consumer Affairs.
113. Data Protection Commissioner.
114. Competition Commissioner.
115. Chief State Solicitor.
116. Central Statistics Office.
117. Commission to Inquire into Child Abuse.
118. Campus and Stadium Ireland Development Ltd.
119. Digital Media Development Ltd.
120. Comhairle.”.

Approved share option schemes.

15.—The Principal Act is amended, with effect from the passing of this Act—

- (a) in Part 17, by the insertion after Chapter 3 (inserted by the Finance Act, 1999) of the following:

“CHAPTER 4

Approved Share Option Schemes

519D.—(1) The provisions of this section shall apply where an individual obtains a right to acquire shares in a body corporate—

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(a) by reason of the individual's office or employment as a director or employee of that or any other body corporate, and Pr.1 S.15

(b) that individual obtains the right in accordance with the provisions of a share option scheme approved under Schedule 12C and in respect of which approval has not been withdrawn.

(2) Tax shall not be chargeable under any provision of the Tax Acts in respect of the receipt of the right referred to in subsection (1).

(3) Subject to subsection (4) (except where paragraph 18(2) of Schedule 12C applies), if the individual exercises the right in accordance with the provisions of the scheme at a time when it is approved—

(a) tax shall not be chargeable under any provision of the Tax Acts in respect of any gain realised by the exercise of the right, and

(b) notwithstanding section 547(1)(a), the individual shall be deemed for the purposes of the Capital Gains Tax Acts to have acquired the shares, acquired by the exercise of the right, for a consideration equal to the amount paid for their acquisition.

(4) Subsection (3) shall not apply in relation to the exercise by any individual of a right in accordance with the provisions of a scheme if the period beginning with his or her obtaining the right and ending with his or her disposal of any of—

(a) the shares acquired by the exercise of the right, or

(b) in a case where section 584, 586 or 587 applies, the shares received in exchange for the shares so acquired,

is less than 3 years.

(5) (a) Where, in exercising a right in accordance with the provisions of the scheme at a time when it is approved, the individual acquires scheme shares from a relevant body, neither a chargeable gain nor an allowable loss shall accrue to the relevant body on the disposal of the scheme shares, and the individual shall, notwithstanding section 547(1)(a), be deemed for the purposes of the Capital Gains Tax Acts to have acquired the scheme shares for a consideration equal to the amount paid for their acquisition.

(b) In this subsection and in subsection (6)—

‘relevant body’ means a trust or a company which exists for the purpose of acquiring and holding scheme shares;

‘scheme shares’ has the meaning assigned to it by paragraph 11 of Schedule 12C.

- (6) (a) Subject to paragraph (c), this subsection applies to a sum expended by a company in establishing a share option scheme which the Revenue Commissioners approve of in accordance with the provisions of Schedule 12C and under which, subject to subsection (7), no employee or director obtains rights before such approval is given.
- (b) A sum to which this subsection applies shall be included—
- (i) in the sums to be deducted in computing for the purposes of Schedule D the profits or gains of a trade carried on by the company, or
 - (ii) if a company is an investment company within the meaning of section 83 or a company in the case of which that section applies by virtue of section 707, in the sums to be deducted under section 83(2) as expenses of management in computing the profits of the company for the purposes of corporation tax.
- (c) Notwithstanding paragraph (b) or any other provision of the Tax Acts, any sum expended by a company, either directly or indirectly, to enable a relevant body to acquire scheme shares shall not be included—
- (i) in the sums to be deducted in computing for the purposes of Schedule D the profits or gains of a trade carried on by the company, or
 - (ii) if the company is an investment company within the meaning of section 83 or a company in the case of which that section applies by virtue of section 707, in the sums to be deducted under section 83(2) as expenses of management in computing the profits of the company for the purposes of corporation tax.
- (d) In a case where—
- (i) paragraph (b) applies, and
 - (ii) the approval is given after the end of the period of 9 months beginning on the day following the end of the accounting period in which the sum is expended,
- then, for the purposes of paragraph (b), the sum shall be treated as expended in the accounting period in which approval is given and not the accounting period mentioned in subparagraph (ii).
- (7) (a) Where a share option scheme is approved by the Revenue Commissioners under Schedule 12C and, prior to such approval, an individual had obtained under the scheme a right which meets the conditions of paragraph (b), that right shall be treated for all the purposes of this section and Schedule 12C as if it had been obtained under an approved scheme.

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(b) The conditions of this paragraph are—

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(i) the right was exercised on or after 15 February 2001,

(ii) the scheme is approved by the Revenue Commissioners under Schedule 12C on or before 31 December 2001, and

(iii) at the time—

(I) the right was obtained, and

(II) the right was exercised, if such exercise occurred before the scheme was approved under Schedule 12C,

the scheme would, at each of those times, have been capable of approval under Schedule 12C if that Schedule had been in force from the time the right was obtained.”,

(b) by the insertion after Schedule 12B (inserted by the Finance Act, 1999) of the following:

“SCHEDULE 12C

APPROVED SHARE OPTION SCHEMES

Interpretation

1. (1) For the purposes of this Schedule—

‘approved’ in relation to a scheme, means approved under paragraph 2;

‘associated company’ has the same meaning as in section 432;

‘auditor’, in relation to a company, means the person or persons appointed as auditor of the company for the purposes of the Companies Acts, 1963 to 1999, or under the law of the territory in which the company is incorporated and which corresponds to those Acts;

‘control’ has the same meaning as in section 432;

‘full-time director’, in relation to a company, means a director who is required to devote substantially the whole of his or her time to the service of the company;

‘grantor’ has the meaning given by paragraph 2(1);

‘group scheme’ has the meaning given by paragraph 2(3);

‘key employee or director’, in relation to a company, means an employee or a full-time director of the company whose specialist skills, qualifications and relevant experience are vital to the future success of the company and is so certified to the Revenue Commissioners by the company;

‘market value’ shall be construed in accordance with section 548;

‘participating company’, in relation to a group scheme, has the meaning given by paragraph 2(4);

‘scheme shares’ has the meaning given by paragraph 11;

‘shares’ includes stock.

(2) Section 10 shall apply for the purposes of this Schedule.

(3) Subsection (3) of section 433 shall have effect in a case where the scheme is a group scheme, with the substitution of a reference to all the participating companies for the first reference to the company in subparagraph (ii) of paragraph (c) of that subsection.

(4) For the purposes of this Schedule—

(a) a company is a member of a consortium that owns another company if it is one of not more than 5 companies which between them beneficially own not less than 75 per cent of the other company’s ordinary share capital and each of which beneficially owns not less than 5 per cent of that capital, and

(b) the question of whether one company is controlled by another shall be determined in accordance with section 432.

Approval of schemes

2. (1) On the application of a body corporate (in this Schedule referred to as the ‘grantor’) which has established a share option scheme, the Revenue Commissioners shall approve the scheme if they are satisfied that it fulfils the requirements of this Schedule.

(2) An application under subparagraph (1) shall be made in writing and contain such particulars and be supported by such evidence as the Revenue Commissioners may require.

(3) Where the grantor has control of another company or companies, the scheme may be expressed to extend to all or any of the companies of which it has control and in this Schedule a scheme which is expressed so to extend is referred to as a ‘group scheme’.

(4) In relation to a group scheme, ‘participating company’ means the grantor or any other company to which for the time being the scheme is expressed to extend.

3. (1) The Revenue Commissioners shall not approve a scheme under this Schedule if it appears to them that it contains features which are neither essential nor reasonably incidental to the purpose of providing for employees’ and full-time directors’ benefits in the nature of rights to acquire shares.

(2) The Revenue Commissioners shall be satisfied—

(a) that there are no features of the scheme other than any which are included to satisfy requirements of this Schedule which have or would have the effect of discouraging any description of employees who fulfil

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the conditions in paragraph 8(1) from actually Pr.1 S.15 participating in the scheme, and

(b) where the grantor is a member of a group of companies, that the scheme does not and would not have the effect of conferring benefits wholly or mainly on directors of companies in the group or on those employees of companies in the group who are in receipt of the higher or highest levels of remuneration.

(3) For the purposes of subparagraph (2), ‘a group of companies’ means a company and any other companies of which it has control or with which it is associated.

(4) For the purposes of subparagraph (3), a company shall be associated with another company where it could reasonably be considered that—

- (a) both companies act in pursuit of a common purpose,
- (b) any person or any group of persons or groups of persons having a reasonable commonality of identity have or had the means or power, either directly or indirectly, to determine the trading operations carried on or to be carried on by both companies, or
- (c) both companies are under the control of any person or group of persons or groups of persons having a reasonable commonality of identity.

4. (1) If, at any time after the Revenue Commissioners have approved a scheme, any of the requirements of this Schedule cease to be satisfied or the grantor fails to provide information requested by the Revenue Commissioners under paragraph 20, the Revenue Commissioners may withdraw the approval with effect from that time or such later time as the Revenue Commissioners may specify.

(2) If an alteration is made in the scheme at any time after the Revenue Commissioners have approved the scheme, the approval shall not have effect after the date of the alteration unless the Revenue Commissioners have approved the alteration.

5. If the grantor is aggrieved by—

- (a) the failure of the Revenue Commissioners to approve the scheme or to approve an alteration in the scheme,
- (b) the withdrawal of approval, or
- (c) the failure of the Revenue Commissioners to decide that a condition subject to which the approval has been given is satisfied,

it may, by notice in writing given to the Revenue Commissioners within 30 days from the date on which it is notified of the Revenue Commissioners’ decision, require the matter to be determined by the Appeal Commissioners, and the Appeal Commissioners shall hear and determine the matter in like manner as an appeal made to them against an assessment and all the

provisions of the Income Tax Acts relating to such an appeal (including the provisions relating to the rehearing of an appeal and to the statement of a case for the opinion of the High Court on a point of law) shall apply accordingly with any necessary modifications.

6. The Revenue Commissioners may nominate any of their officers, including an inspector, to perform any acts and discharge any functions authorised by this Schedule to be performed or discharged by them.

Eligibility

7. (1) The scheme shall not provide for any person to be eligible to participate in it, that is to say, to obtain and exercise rights under it—

- (a) unless he or she is an employee or director of the grantor or, in the case of a group scheme, of a participating company, or
- (b) at any time when he or she has, or has within the preceding 12 months had, a material interest in a close company within the meaning of Chapter 1 of Part 13, which is—
 - (i) a company the shares of which may be acquired pursuant to the exercise of rights obtained under the scheme, or
 - (ii) a company which has control of such a company or is a member of a consortium which owns such a company.

(2) Notwithstanding subparagraph 1(a), the scheme may provide that a person may exercise rights obtained under it despite having ceased to be an employee or a director.

8. (1) The scheme shall provide that, at any time, every person who—

- (a) is an employee or a full-time director of the grantor or, in the case of a group scheme, a participating company,
- (b) has been such an employee or director at all times during a qualifying period not exceeding three years, and
- (c) is chargeable to tax in respect of that person's office or employment under Schedule E,

shall be eligible to participate in the scheme, that is to say, to obtain and exercise rights under it.

(2) Subject to paragraph 9 every person eligible to participate in the scheme shall do so on similar terms.

(3) For the purposes of subparagraph (2), the fact that—

- (a) the rights to be obtained by persons participating in a scheme vary or are different—

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- (i) in the year of assessment in which they commence to hold the office or employment by virtue of which they are entitled to participate in the scheme, or
- (ii) according to the levels of their remuneration, the length of their service or similar factors,

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or

- (b) a person is not entitled to receive rights within a stated period of his or her normal retirement date,

shall not be regarded as meaning that they are not eligible to participate in the scheme on similar terms.

9. (1) Subject to the conditions of this paragraph, the scheme may provide for an employee or a director, who is a key employee or director of the grantor or, in the case of a group scheme, a participating company, to obtain and exercise rights under it which do not satisfy the requirement of paragraph 8 regarding participation in the scheme on similar terms.

(2) The conditions of this paragraph are that, in any year of assessment—

- (a) the total number of shares in respect of which rights have been granted to key employees and directors in accordance with a rule of the scheme which conforms with this paragraph does not exceed 30 per cent of the total number of shares in respect of which rights have been granted to all employees and directors participating in the scheme whether in accordance with this paragraph or paragraph 8, and
- (b) an individual who obtains rights for a year of assessment by virtue of this paragraph shall not also be entitled to obtain rights for that year in accordance with paragraph 8.

10. In determining for the purposes of paragraph 7—

- (a) whether a company is a close company, section 430(1)(a) and subsections (3) to (7) of section 431 shall be disregarded, and
- (b) whether a person has or has had a material interest in a company, sections 437(2) and 433(3)(c)(ii) shall have effect with the substitution for the references in those provisions to 5 per cent of references to 15 per cent.

Scheme shares

11. The scheme shall provide for directors and employees to obtain rights to acquire shares (in this Schedule referred to as ‘scheme shares’) which satisfy the requirements of paragraphs 12 to 16.

12. Scheme shares shall form part of the ordinary share capital of—

- (a) the grantor,

- (b) a company which has control of the grantor, or
- (c) a company which either is, or has control of, a company which—
 - (i) is a member of a consortium which owns either the grantor or a company having control of the grantor, and
 - (ii) beneficially owns not less than 15 per cent of the ordinary share capital of the company so owned.

13. Scheme shares shall be—

- (a) shares of a class quoted on a recognised stock exchange,
- (b) shares in a company which is not under the control of another company, or
- (c) shares in a company which is under the control of a company (other than a company which is, or if resident in the State would be, a close company within the meaning of section 430) whose shares are quoted on a recognised stock exchange.

14. (1) Scheme shares—

- (a) shall be fully paid up,
- (b) shall not be redeemable, and
- (c) shall not be subject to any restrictions other than restrictions which attach to all shares of the same class or a restriction authorised by subparagraph (2).

(2) Subject to subparagraph (3), the shares may be subject to a restriction imposed by the company's articles of association—

- (a) requiring all shares held by directors or employees of the company or of any other company of which it has control to be disposed of on ceasing to be so held, and
- (b) requiring all shares acquired, in pursuance of rights or interests obtained by such directors or employees, by persons who are not, or have ceased to be, such directors or employees to be disposed of when they are acquired.

(3) A restriction is not authorised by subparagraph (2) unless—

- (a) any disposal required by the restriction will be by way of sale for a consideration in money on terms specified in the articles of association, and
- (b) the articles also contain general provisions by virtue of which any person disposing of shares of the same class (whether or not held or acquired as mentioned in subparagraph (2)) may be required to sell them on terms which are the same as those mentioned in clause (a).

15. (1) In determining for the purposes of paragraph 14(1)(c) Pr.1 S.15 whether scheme shares which are or are to be acquired by any person are subject to any restrictions, there shall be regarded as a restriction attaching to the shares any contract, agreement, arrangement or condition by which such person's freedom to dispose of the shares or of any interest in them or of the proceeds of their sale or to exercise any right conferred by them is restricted or by which such a disposal or exercise may result in any disadvantage to that person or to a person connected with that person.

(2) Subparagraph (1) does not apply to so much of any contract, agreement, arrangement or condition as contains provisions similar in purpose and effect to any of the provisions of the Model Rules set out in the Listing Rules of the Irish Stock Exchange.

16. Except where scheme shares are in a company whose ordinary share capital consists of shares of one class only, the majority of the issued shares of the same class shall be held by persons other than—

- (a) persons who acquired their shares in pursuance of a right conferred on them or an opportunity afforded to them as a director or employee of the grantor or any other company and not in pursuance of an offer to the public,
- (b) trustees holding shares on behalf of persons who acquired their beneficial interests in the shares as mentioned in subparagraph (a), and
- (c) in a case where the shares fall within subparagraph (c) of paragraph 13 but do not fall within subparagraph (a) of that paragraph, companies which have control of the company whose shares are in question or of which that company is an associated company.

Exchange provisions

17. (1) The scheme may provide that if any company (in this paragraph referred to as 'the acquiring company')—

- (a) obtains control of a company whose shares are scheme shares as a result of making a general offer—
 - (i) to acquire the whole of the issued ordinary share capital of the company which is made on a condition such that if it is satisfied the person making the offer will have control of the company, or
 - (ii) to acquire all the shares in the company which are of the same class as the scheme shares,
- (b) obtains control of a company whose shares are scheme shares in pursuance of a compromise or arrangement sanctioned by the court under section 201 of the Companies Act, 1963, or
- (c) becomes bound or entitled to acquire shares, under section 204 of the Companies Act, 1963, in a company whose shares are scheme shares,

any participant in the scheme may at any time within the appropriate period, by agreement with the acquiring company, release his or her rights under the scheme (in this paragraph referred to as ‘the old rights’) in consideration of the grant to him or her of rights (in this paragraph referred to as ‘the new rights’) which are equivalent to the old rights but relate to shares in a different company (whether the acquiring company itself or some other company falling within subparagraph (b) or (c) of paragraph 12).

(2) In subparagraph (1) ‘the appropriate period’ means—

- (a) in a case falling within clause (a) of that subparagraph, the period of 6 months beginning with the time when the person making the offer has obtained control of the company and any condition subject to which the offer is made is satisfied,
- (b) in a case falling within clause (b) of that subparagraph, the period of 6 months beginning with the time when the court sanctions the compromise or arrangement, and
- (c) in a case falling within clause (c) of that subparagraph, the period during which the acquiring company remains bound or entitled as mentioned in that clause.

(3) The new rights shall not be regarded for the purposes of this paragraph as equivalent to the old rights unless—

- (a) the shares to which they relate satisfy the conditions specified, in relation to scheme shares, in paragraphs 12 to 16,
- (b) the new rights will be exercisable in the same manner as the old rights and subject to the provisions of the scheme as it had effect immediately before the release of the old rights,
- (c) the total market value, immediately before the release, of the shares which were subject to the participant’s old rights is equal to the total market value, immediately after the grant, of the shares in respect of which the new rights are granted to the participant, and
- (d) the total amount payable by the participant for the acquisition of shares in pursuance of the new rights is equal to the total amount that would have been payable for the acquisition of shares in pursuance of the old rights.

(4) Where any new rights are granted pursuant to a provision included in a scheme by virtue of this paragraph they shall be regarded—

- (a) for the purposes of section 519D and this Schedule, and
- (b) for the purposes of the subsequent application (by virtue of a condition complying with subparagraph (3)(b)) of the provisions of the scheme,

as having been granted at the time when the corresponding old rights were granted.

18. (1) The scheme shall not permit any person obtaining rights under it to transfer any of them but may provide that if such a person dies before exercising them, they may be exercised after, but not later than one year after, the date of that person's death.

(2) Where the scheme contains the provision permitted by subparagraph (1) and any rights are exercised after the death of the person who obtained them, subsection (3) of section 519D shall apply with the omission of the reference to subsection (4) of that section.

Share price

19. The price at which scheme shares may be acquired by the exercise of a right obtained under the scheme shall be stated at the time the right is obtained and shall not be less than the market value of shares of the same class at that time or, if the Revenue Commissioners and the grantor agree in writing, at such earlier time or times as may be provided in the agreement, but the scheme may provide for such variation of the price so stated as may be necessary to take account of any variation in the share capital of which the scheme shares form part.

Information

20. (1) The Revenue Commissioners may by notice in writing require any person to furnish them, within such time as the Revenue Commissioners may direct (not being less than 30 days), with such information as the Revenue Commissioners think necessary for the performance of their functions under this Schedule, and which the person to whom the notice is addressed has or can reasonably obtain, including in particular information—

(a) to enable the Revenue Commissioners to determine—

(i) whether to approve a scheme or withdraw an approval already given, or

(ii) the liability to tax, including capital gains tax, of any person who has participated in a scheme,

and

(b) in relation to the administration of a scheme and any alteration of the terms of a scheme.

(2) Notwithstanding the generality of subparagraph (1), the Revenue Commissioners may request a certificate from the auditor of a grantor company certifying that, in his or her opinion—

(a) the terms of any rule or rules included in the scheme by virtue of either or both paragraphs 8 and 9 are complied with in relation to a year of assessment, or

(b) as respects rights obtained under the scheme before it was approved under this Schedule, the conditions in subsection (7)(b) of section 519D are satisfied.

21. (1) For the purposes of section 437(2), as applied by paragraph 10(b) of this Schedule, a right to acquire shares (however arising) shall be taken to be a right to control them.

(2) Any reference in subparagraph (3) to the shares attributed to an individual is a reference to the shares which, in accordance with section 437(2) as applied by paragraph 10(b) of this Schedule, fall to be brought into account in that individual's case to determine whether their number exceeds a particular percentage of the company's ordinary share capital.

(3) In any case where—

- (a) the shares attributed to an individual consist of or include shares which that individual or any other person has a right to acquire, and
- (b) the circumstances are such that, if that right were to be exercised, the shares acquired would be shares which were previously unissued and which the company is contractually bound to issue in the event of the exercise of the right,

then, in determining at any time prior to the exercise of that right whether the number of shares attributed to the individual exceeds a particular percentage of the ordinary share capital of the company, that ordinary share capital shall be taken to be increased by the number of unissued shares referred to in clause (b).”,

and

(c) in Schedule 29, by the insertion after “Schedule 9, paragraph 8” in Column 2 of:

“Schedule 12, paragraph 3(4)
Schedule 12A, paragraph 6
Schedule 12B, paragraph 5
Schedule 12C, paragraph 20”.

Amendment of provisions relating to employee share schemes.

16.—The Principal Act is amended—

(a) in Schedule 11, as respects profit sharing schemes approved on or after the passing of this Act, by the substitution in subparagraph (1A) (inserted by the Finance Act, 1998) of paragraph 4 of the following for clause (b):

“(b) For the purposes of this subparagraph—

- (i) ‘a group of companies’ means a company and any other companies of which it has control or with which it is associated, and
- (ii) a company shall be associated with another company where it could reasonably be considered that—
 - (I) both companies act in pursuit of a common purpose,

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- (II) any person or any group of persons or groups of persons having a reasonable commonality of identity have or had the means or power, either directly or indirectly, to determine the trading operations carried on or to be carried on by both companies, or
- (III) both companies are under the control of any person or group of persons or groups of persons having a reasonable commonality of identity.”

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(b) in Schedule 12, as respects employee share ownership trusts approved on or after the passing of this Act, by the substitution in paragraph 2(2) (inserted by the Finance Act, 1998) of the following for clause (b):

“(b) For the purposes of this subparagraph—

- (i) ‘a group of companies’ means a company and any other companies of which it has control or with which it is associated, and
- (ii) a company shall be associated with another company where it could reasonably be considered that—
- (I) both companies act in pursuit of a common purpose,
- (II) any person or any group of persons or groups of persons having a reasonable commonality of identity have or had the means or power, either directly or indirectly, to determine the trading operations carried on or to be carried on by both companies, or
- (III) both companies are under the control of any person or group of persons or groups of persons having a reasonable commonality of identity.”

and

(c) in Schedule 12A (inserted by the Finance Act, 1999), as respects savings-related share option schemes approved on or after the passing of this Act, by the substitution in paragraph 3 of the following for subparagraph (3):

“(3) For the purposes of subparagraph (2)—

- (a) ‘a group of companies’ means a company and any other companies of which it has control or with which it is associated, and
- (b) a company shall be associated with another company where it could reasonably be considered that—
- (i) both companies act in pursuit of a common purpose,

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- (ii) any person or any group of persons or groups of persons having a reasonable commonality of identity have or had the means or power, either directly or indirectly, to determine the trading operations carried on or to be carried on by both companies, or
- (iii) both companies are under the control of any person or group of persons or groups of persons having a reasonable commonality of identity.”.

Provisions relating to certain approved profit sharing schemes and employee share ownership trusts.

17.—(1) The Principal Act is amended—

(a) in section 511A—

- (i) by the insertion in subsection (2)(c) of “or paragraph 11A, as the case may be,” after “paragraph 11”, and
- (ii) by the insertion in subsection (5) of “or paragraph 11A, as the case may be,” after “paragraph 11”,

(b) in Schedule 11—

(i) in paragraph 4—

- (I) by the insertion in subparagraph (1A)(a)(i) of “, having regard to subparagraph (1B),” after “subparagraph (1)”, and
- (II) by the insertion of the following subparagraph after subparagraph (1A):

“(1B) As respects a scheme which has been established by a relevant company (within the meaning of paragraph 1 of Schedule 12)—

(a) any reference in subparagraph (1)(a)(ii) to an employee or a full-time director shall be deemed to be a reference to an individual who was such an employee or a full-time director, as the case may be, of that relevant company or of a company within the relevant company’s group (within the meaning of paragraph 1(3A) of Schedule 12) on the day the scheme was established, and

(b) for the purposes of satisfying the qualifying period requirement referred to in subparagraph (1)(b), such periods in which an individual was or is an employee or a director of a company referred to in subparagraphs (3)(b) and (13) of paragraph 11A of Schedule 12 shall also be taken into account.”,

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- (ii) in paragraph 12A by the insertion in subparagraph (b) of “or paragraph 11A, as the case may be,” after “paragraph 11”, and
- (iii) by the insertion of the following paragraph after paragraph 13A:

“13B. (1) Nothing in paragraph 13 shall prevent shares being appropriated to an individual under an approved scheme established by a relevant company (within the meaning of paragraph 1 of Schedule 12) and where, in a year of assessment, shares have been appropriated to an individual under such an approved scheme, paragraph 13 shall apply as if those shares had not been appropriated to that individual in that year of assessment.

(2) Section 515 and paragraph 3(4) shall, subject to any necessary modification, apply in respect of all shares appropriated to that individual in that year of assessment.”,

and

(c) in Schedule 12—

(i) in paragraph 1—

(I) by the insertion in subparagraph (1) after the definition of “ordinary share capital” of the following:

“‘relevant company’ means—

(a) a company into which a trustee savings bank has been reorganised under section 57 of the Trustee Savings Banks Act, 1989, or

(b) ICC Bank plc;”,

and

(II) by the insertion of the following subparagraph after subparagraph (3):

“(3A) For the purposes of this Schedule a company falls within the relevant company’s group at a particular time if—

(a) it is the relevant company, or

(b) at that time, it is controlled by the relevant company and the trust concerned referred to in paragraph 2(1) is expressed to extend to it.”,

(ii) by the insertion of the following paragraph after paragraph 7:

“7A. Notwithstanding any other provision in this Schedule, in a case to which paragraph 11A applies, any reference in paragraph 8, 9 or 10 to an employee

or a director of a company shall be construed as a reference to an individual who—

- (a) was an employee or a director, as the case may be, of the relevant company or of a company within the relevant company's group on the day the trust was established, and
- (b) is, at the relevant time (within the meaning, as may be appropriate in the circumstances, of paragraph 8, 9 or 10), an employee or a director, as the case may be, of a company referred to in paragraph 11A(3)(b).”,

and

- (iii) by the insertion of the following paragraph after paragraph 11:

“11A. (1) Notwithstanding any other provision of this Schedule, in any case where a trust is established by a company which is a relevant company, this Schedule shall, with any necessary modification, apply as respects the beneficiaries under the trust as if this paragraph were substituted for paragraph 11.

(2) The trust deed shall contain provision as to the beneficiaries under the trust in accordance with this paragraph.

(3) The trust deed shall provide that a person is a beneficiary at a particular time (in this subparagraph referred to as the ‘relevant time’) if—

- (a) the person was an employee or a director of the relevant company or of a company within the relevant company's group on the day the trust was established by that relevant company,
- (b) the person is at the relevant time an employee or a director of—
 - (i) a company (in this subparagraph referred to as the ‘first-mentioned company’) which is, or was at any time since the day the trust was established, within the founding company's group,

- (ii) a company within a group of companies (within the meaning of paragraph 2(2)(b)) which has acquired control of the first-mentioned company,

- (iii) a company to which—

(I) an employee, or

(II) a director,

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referred to in clause (a) has been transferred under either or both the European Communities (Safeguarding of Employees' Rights on Transfer of Undertaking) Regulations, 1980 and 2000 and the Central Bank Act, 1971, or

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(iv) a company within a group of companies (within the meaning of paragraph 2(2)(b)), of which the company referred to in subclause (iii) is, or was at any time, a member,

(c) at each given time in a qualifying period the person was such an employee or a director of a company referred to in clause (b),

(d) in the case of a director, at that given time the person worked as a director of a company referred to in clause (b) or of a company within the relevant company's group at the rate of at least 20 hours a week (disregarding such matters as holidays and sickness), and

(e) the person is chargeable to income tax in respect of his or her office or employment under Schedule E.

(4) The trust deed may provide that a person is a beneficiary at a particular time if, but for subparagraph (3)(e), he or she would be a beneficiary within the rule which is included in the deed and conforms with subparagraph (3).

(5) Subject to subparagraph (6), the trust deed may provide that a person is a beneficiary at a particular time (in this subparagraph referred to as the 'relevant time') if—

(a) the person was an employee or a director of the relevant company or of a company within the relevant company's group on the day the trust was established by that relevant company,

(b) the person has at each given time in a qualifying period been an employee or a director of a company referred to in subparagraph (3)(b) at that given time,

(c) the person has ceased to be an employee or a director of a company referred to in subparagraph (3)(b),

(d) at each given time in the 5 year period, or such lesser period as the Minister for Finance may by order prescribe, commencing on the date the trust was established, 50 per cent or such lesser percentage as the Minister for Finance may by order

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prescribe, of the securities retained by the trustees at that time were pledged by them as security for borrowings, and

(e) at the relevant time a period of not more than 15 years has elapsed since the trust was established.

(6) The trust deed may provide that a person is a beneficiary at a particular time (in this subparagraph referred to as the ‘relevant time’) if—

(a) the person was an employee or a director of the relevant company or of a company within the relevant company’s group on the day the trust was established by that relevant company,

(b) the person has at each given time in a qualifying period been an employee or a director of a company referred to in subparagraph (3)(b) at that given time,

(c) the person has ceased to be an employee or a director of a company referred to in subparagraph (3)(b), and

(d) at the relevant time a period of not more than 18 months has elapsed since the person so ceased.

(7) The trust deed shall not contain a rule that conforms with subparagraph (5) unless the rule is expressed as applying to every person within it.

(8) The trust deed may provide for a person to be a beneficiary if the person is a charity and the circumstances are such that—

(a) there is no person who is a beneficiary within the rule which is included in the deed and conforms with subparagraph (3) or with any rule which is so included and conforms with subparagraph (4), (5) or (6), and

(b) the trust is in consequence of being wound up.

(9) For the purposes of subparagraph (3), a qualifying period shall be a period—

(a) whose length is not more than 3 years,

(b) whose length is specified in the trust deed, and

(c) which ends with the relevant time (within the meaning of that subparagraph).

(10) For the purposes of subparagraphs (5) and (6), a qualifying period shall be a period—

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- (a) whose length is equal to that of the period specified in the trust deed for the purposes of a rule which conforms with subparagraph (3), and
- (b) which ends when the person ceased as mentioned in subparagraph (5)(c) or (6)(c), as the case may be.

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(11) The trust deed shall not provide for a person to be a beneficiary unless the person is within the rule which is included in the deed and conforms with subparagraph (3) or any rule which is so included and conforms with subparagraph (4), (5), (6) or (8).

(12) The trust deed shall provide that, notwithstanding any other rule which is included in it, a person cannot be a beneficiary at a particular time (in this subparagraph referred to as the ‘relevant time’) by virtue of a rule which conforms with subparagraph (3), (4), (5), (6) or (8) if—

- (a) at the relevant time the person has a material interest in a company referred to in subparagraph (3)(b), or
- (b) at any time in the period of one year preceding the relevant time the person has had a material interest in that company,

and for the purposes of this subparagraph any reference to a company shall, in a case to which clause (a) of the definition of relevant company applies, also include a reference to a trustee savings bank which has been reorganised into the relevant company concerned.

(13) For the purposes of satisfying the qualifying period requirement referred to in subparagraphs (3)(c), (5)(b) and (6)(b) a person shall also be regarded as such an employee or a director for any period in which that person is an employee or a director of, in a case to which clause (a) of the definition of relevant company applies, a trustee savings bank which has been reorganised into that relevant company.

(14) For the purposes of this paragraph ‘charity’ means any body of persons or trust established for charitable purposes only.

(15) Where an order is proposed to be made under subparagraph (5)(d), a draft of the order shall be laid before Dáil Éireann and the order shall not be made until a resolution approving of the draft has been passed by Dáil Éireann.”.

(2) Subsection (1) shall apply and have effect as respects—

- (a) a profit sharing scheme, or
- (b) an employee share ownership trust,

approved on or after 12 December 2000.

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Amendment of Part 30 (occupational pension schemes, retirement annuities, purchased life annuities and certain pensions) of Principal Act.

18.—Part 30 of the Principal Act is amended—

(a) in Chapter 1—

(i) in section 770(1):

(I) by the insertion of the following after the definition of “pension”:

“ ‘pension adjustment order’ means an order made in accordance with either section 12 of the Family Law Act, 1995, or section 17 of the Family Law (Divorce) Act, 1996;”,

(II) by the substitution of the following for the definition of proprietary director:

“ ‘proprietary director’ means a director who, either alone or together with his or her spouse and minor children is or was, at any time within 3 years of the date of—

(i) the specified normal retirement date,

(ii) an earlier retirement date, where applicable,

(iii) leaving service, or

(iv) in the case of a pension or part of a pension payable in accordance with a pension adjustment order, the relevant date in relation to that order,

the beneficial owner of shares which, when added to any shares held by the trustees of any settlement to which the director or his or her spouse had transferred assets, carry more than 5 per cent of the voting rights in the company providing the benefits or in a company which controls that company;”,

and

(III) by the insertion of the following after the definition of “relevant benefits”:

“ ‘relevant date’ means, in relation to a pension adjustment order, the date on which the decree of separation or the decree of divorce, as the case may be, was granted, by reference to which the pension adjustment order in question was made;”,

and

(ii) in subsection (3A) (inserted by the Finance Act, 1999) of section 772, by the substitution of the following for subparagraph (i):

“(i) a proprietary director of, or where a pension or part of a pension is payable in accordance with a pension

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adjustment order, the spouse or former spouse to whom the pension or part of the pension is so payable, of a proprietary director of, a company to which the scheme relates, or”,

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and

(b) in Chapter 2—

- (i) in section 784, by the insertion of the following after subsection (6):

“(7) Notwithstanding anything in section 18 or section 19, any payment of an annuity made on or after 1 January 2002 in respect of an annuity contract approved under this section or under section 785 shall be regarded as a pension chargeable to tax under Schedule E, and Chapter 4 of Part 42 shall apply accordingly.”,

- (ii) in paragraph (c) of subsection (6) of section 784E (inserted by the Finance Act, 1999), by the substitution, as on and from 25 March 1999, for “subsections (2) and (4)” of “subsections (2) to (4)”,

and

(iii) in section 787—

(I) by the deletion of subsection (9),

- (II) by the substitution of the following for subsection (10):

“(10) Where in any year of assessment a reduction or a greater reduction would be made under this section in the relevant earnings of an individual but for an insufficiency of net relevant earnings, the amount of the reduction which would have been made but for that reason, less the amount of the reduction which is made in that year, shall be carried forward to the next year of assessment, and shall be treated for the purposes of relief under this section as the amount of a qualifying premium paid in the next year of assessment.”,

and

(III) by the deletion of subsection (12).

19.—(1) As respects the year of assessment 2001 and subsequent years of assessment, section 470 of the Principal Act is amended—

Amendment of section 470 (relief for insurance against expenses of illness) of Principal Act.

(a) in subsection (1)—

- (i) by the substitution of the following for the definition of “relevant contract”:

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“‘relevant contract’, in relation to an individual, means a contract of insurance which provides specifically, whether in conjunction with other benefits or not, for the reimbursement or discharge, in whole or in part, of actual health expenses (within the meaning of section 469) of—

- (a) the individual,
- (b) the spouse of the individual, or
- (c) the children or other dependants of the individual or of the spouse of the individual;”,

and

- (ii) by the insertion after the definition of “‘relevant contract’” of the following:

“‘relievable amount’, in relation to a payment to an authorised insurer under a relevant contract, means—

- (a) where the payment covers no benefits other than such reimbursement or discharge as is referred to in the definition of ‘relevant contract’, an amount equal to the full amount of the payment, or
- (b) where the payment covers benefits other than such reimbursement or discharge as is referred to in that definition, an amount equal to so much of the payment as is referable to such reimbursement or discharge.”,

- (b) by the substitution of the following for subsections (2) and (3):

“(2) Subject to subsection (3), where for a year of assessment—

- (a) an individual, or
- (b) if the individual is a married person assessed to tax in accordance with section 1017, the individual’s spouse,

has made a payment to an authorised insurer under a relevant contract, then, the income tax to be charged on the individual for the year of assessment, other than in accordance with section 16(2), shall be reduced by an amount which is the lesser of—

- (i) an amount equal to the appropriate percentage of the relievable amount in relation to the payment, and
 - (ii) the amount which reduces that income tax to nil.
- (3) (a) Where, on or after 6 April 2001, an individual makes a payment to an authorised insurer in

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respect of a premium due on or after that date under a relevant contract for which relief is due under subsection (2), the individual shall be entitled to deduct and retain out of it an amount equal to the appropriate percentage, for the year of assessment in which the payment is due, of the relievable amount in relation to the payment. Pr.1 S.19

- (b) An authorised insurer to which a payment referred to in paragraph (a) is made—
- (i) shall accept the amount paid after deduction in discharge of the individual's liability to the same extent as if the deduction had not been made, and
 - (ii) may, on making a claim in accordance with regulations, recover from the Revenue Commissioners an amount equal to the amount deducted.”,

and

(c) by the insertion of the following after subsection (4):

“(5) (a) The Revenue Commissioners shall make regulations providing generally as to administration of this section and those regulations may, in particular and without prejudice to the generality of the foregoing, include provision—

- (i) that a claim under subsection (3)(b)(ii) by an authorised insurer, which has registered with the Revenue Commissioners for the purposes of making such a claim, shall—
 - (I) be made in such form and manner,
 - (II) be made at such time, and
 - (III) be accompanied by such documents, as provided for in the regulations;
- (ii) for the making of annual information returns by authorised insurers, in such form (including electronic form) and manner as may be prescribed, and containing specified details in relation to—
 - (I) each individual making payments to such insurers under relevant contracts in a year of assessment,
 - (II) the total amount of premiums paid under a relevant contract by that individual in the year of assessment, and

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(III) the total amount deducted by that individual under subsection (3)(a);

and

(iii) for the furnishing of information to the Revenue Commissioners for the purposes of the regulations.

(b) Every regulation made under this section shall be laid before Dáil Éireann as soon as may be after it is made and, if a resolution annulling the regulation is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the regulation is laid before it, the regulation shall be annulled accordingly, but without prejudice to the validity of anything previously done thereunder.

(6) (a) Where any amount is paid to an authorised insurer by the Revenue Commissioners as an amount recoverable by virtue of subsection (3)(b)(ii) but is an amount to which that authorised insurer is not entitled, that amount shall be repaid by the authorised insurer.

(b) There shall be made such assessments, adjustments or set-offs as may be required for securing repayment of the amount referred to in paragraph (a) and the provisions of this Act relating to the assessment, collection and recovery of income tax shall, in so far as they are applicable and with necessary modification, apply in relation to the recovery of such amount.”.

(2) Notwithstanding any other provision to the contrary, in relation to the year of assessment 2001 an individual shall be entitled to relief under section 470 of the Principal Act in respect of premiums paid to an authorised insurer under a relevant contract both in that year and in the year preceding that year of assessment.

(3) Schedule 29 to the Principal Act is amended in column 1 by the insertion after “section 121” of “section 470 and Regulations under that section”.

Relief for premiums under qualifying long-term care policies, etc.

20.—The Principal Act is amended—

(a) in Chapter 1 of Part 15—

(i) by the insertion in Part 2 of the Table to section 458 of “Section 470A” after “Section 470”, and

(ii) by the insertion of the following after section 470:

“Relief for premiums under qualifying long-term care policies.

470A.—(1) In this section—

‘activities of daily living’ means one or more of the following, that is to say, washing, dressing, feeding, toileting, mobility and transferring;

‘appropriate percentage’, in relation to a year of assessment, means a percent-

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age equal to the standard rate of tax Pr.1 S.20
for that year;

‘long-term care services’ means necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services and maintenance or personal care services carried out by or on the advice of a practitioner;

‘maintenance or personal care services’ means any care the primary purpose of which is the provision of needed assistance with any of the disabilities as a result of which an individual is a relevant individual (including protection from threats to health and safety due to severe cognitive impairment);

‘mobility’ means the ability to move indoors from room to room on level surfaces;

‘policy’ means a policy of insurance;

‘PPS Number’, in relation to an individual, means that individual’s Personal Public Service Number within the meaning of section 223 of the Social Welfare (Consolidation) Act, 1993;

‘practitioner’ means any person who is registered in the register established under section 26 of the Medical Practitioners Act, 1978, or, in relation to long-term care services provided outside the State, is entitled under the laws of the territory in which such services are provided to practice medicine there;

‘qualifying individual’ in relation to an individual and a qualifying long-term care policy, means—

- (a) the individual,
- (b) the spouse or a child of the individual, or
- (c) a relative of the individual or of the spouse of the individual;

‘qualifying insurer’ means, subject to subsection (2), the holder of—

- (i) an authorisation issued by the Minister for Enterprise, Trade and Employment under the European Communities (Life Assurance) Regulations of 1984 (S.I. No. 57 of 1984) as amended, or
- (ii) an authorisation granted by the authority charged by law with the duty of supervising the activities of insurance undertakings in a Member State of the European Communities, other than the State, in accordance with Article 6 of Directive No. 79/267/EEC¹, who is carrying on the business of life assurance in the State, or
- (iii) an official authorisation to undertake insurance in Iceland, Liechtenstein and Norway pursuant to the EEA Agreement within the meaning of the European Communities (Amendment) Act, 1993, and who is carrying on the business of life assurance in the State;

‘qualifying long-term care policy’ means a policy which provides for the discharge or reimbursement of expenses of long-term care services for a relevant individual and which, in accordance with the provisions of this section, is approved of by the Revenue Commissioners for the purposes of this section;

‘relative’, in relation to an individual or the spouse of the individual, includes a relation by marriage and a person in respect of whom the individual is or was the legal guardian;

‘relevant individual’, in relation to a qualifying long-term care policy, means a qualifying individual in relation to that policy in respect of whom a practitioner has certified that the individual is—

¹ O.J. No. L63 of 13 March, 1979, P.1.

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- (a) unable to perform (with- Pr.1 S.20
out substantial assistance
from another individual) at
least 2 of the activities of
daily living for a period of
at least 90 days due to a
loss of functional capacity,
or
- (b) requires substantial super-
vision to protect such indi-
vidual from threats to
health and safety due
to severe cognitive impair-
ment;

‘transferring’ means the ability to
move from a bed to an upright chair or
a wheelchair and *vice versa*.

(2) (a) A person shall not be a
qualifying insurer until
such time as the person has
been entered in a register
maintained by the Revenue
Commissioners for the pur-
poses of this section and
any regulations made
thereunder.

(b) Where at any time a qualify-
ing insurer—

(i) is not resident in the
State, or

(ii) is not carrying on busi-
ness in the State
through a fixed place
of business,

the qualifying insurer shall
ensure that there is a per-
son resident in the State
and appointed by the quali-
fying insurer to be respon-
sible for the discharge of all
the duties and obligations
imposed on the qualifying
insurer by this section and
any regulations made
thereunder.

(c) Where a qualifying insurer
appoints a person in
accordance with paragraph
(b), that insurer shall
advise the Revenue Com-
missioners of the identity

of that person and the fact of the person's appointment.

(3) (a) The Revenue Commissioners shall not approve a policy for the purposes of this section unless they are satisfied that—

(i) the only benefits provided under the policy are the discharge or reimbursement of expenses of long-term care services in respect of an individual who is a relevant individual in relation to the policy,

(ii) the policy is either not expressed to be terminable by the insurer under the terms of the policy, or is expressed to be so terminable only in special circumstances mentioned in the policy,

(iii) the policy secures that for the purposes of the policy the question of whether an individual is a relevant individual shall be determined by reference to at least 5 activities of daily living,

(iv) subject to paragraph (b), the policy does not provide for—

(I) a lump sum payment on termination,

(II) a cash surrender value, or

(III) any other money,

that can be paid or assigned to any person, borrowed, or pledged as collateral for a loan, and

- (v) the policy is not connected with any other policy.
- (b) A policy shall not fail to meet the requirements of paragraph (a)(iv) merely because it provides for the payment of periodic amounts of money without regard to the expenses incurred on the services provided during the period to which the payments relate.
- (c) A policy is connected with another policy, whether held by the same person or another person, if—
- (i) either policy was issued in respect of an assurance made with reference to the other, or with a view to enabling the other to be made on particular terms, or with a view to facilitating the making of the other on particular terms, and
 - (ii) the terms on which either policy was issued would have been different if the other policy had not been issued.
- (4) (a) A long-term care policy shall be a qualifying long-term care policy within the meaning of this section if it conforms with a form which at the time it is issued is either—
- (i) a standard form approved by the Revenue Commissioners as a standard form of qualifying long-term care policy, or
 - (ii) a form varying from a standard form so approved in no other respects than by making such alterations to

that standard form as are, at the time the policy is issued, approved by the Revenue Commissioners as being compatible with a qualifying long-term care policy when made to that standard form and satisfying any conditions subject to which the alterations are so approved.

- (b) In approving a policy, or a standard form of a policy, as a qualifying long-term care policy for the purposes of this section, the Revenue Commissioners may disregard any provision of the policy which appears to them insignificant.

(5) Where, for any year of assessment, an individual, who is resident in the State, makes a payment to a qualifying insurer in respect of a premium under a qualifying long-term care policy, the beneficiary of which is a qualifying individual in relation to the individual, the individual making the payment shall, subject to the condition specified in subsection (6), be entitled to relief under this section in accordance with subsection (8).

(6) The condition specified in this subsection is that, at the time the long-term care policy is entered into, the individual (in this subsection referred to as the ‘declarer’) furnishes to the qualifying insurer a declaration in writing which—

- (a) is made and signed by the declarer,
- (b) is made in such form as may be prescribed or authorised by the Revenue Commissioners,
- (c) contains the declarer’s full name, the address of his or her permanent residence and his or her PPS Number,

- (d) declares that—

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(i) at the time the declaration is made that he or she is resident in the State, and

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(ii) the beneficiary under the policy is a qualifying individual in relation to the declarer,

and

(e) contains an undertaking that if, at any time while the long-term care policy is in force, the declarer ceases to be resident in the State he or she will notify the qualifying insurer accordingly.

(7) (a) A qualifying insurer shall—

(i) keep and retain for the longer of the following periods—

(I) a period of 6 years, and

(II) a period which, in relation to the long-term care policy in respect of which the declaration is made, ends not later than 3 years after the date on which premiums have ceased to be paid or payable in respect of the policy,

all declarations of the kind mentioned in subsection (6) which have been made in respect of qualifying long-term care policies issued by the qualifying insurer, and

(ii) on being so required by notice given to that insurer in writing by an inspector, make available within the State to the inspector,

within the time specified in the notice, all or any of the declarations of the kind mentioned in subsection (6).

- (b) The inspector may examine or take extracts from or copies of any declarations made available to him or her under paragraph (a).
- (8) (a) Where an individual makes a payment to a qualifying insurer in respect of which he or she is entitled to relief under this section, the individual shall be entitled to deduct and retain out of the payment an amount equal to the appropriate percentage for the year of assessment in which payment of the premium falls due.
- (b) The qualifying insurer to whom a payment referred to in paragraph (a) is made—
- (i) shall accept the amount paid after deduction in discharge of the individual's liability to the same extent as if the deduction had not been made, and
- (ii) may, on making a claim in accordance with regulations, recover from the Revenue Commissioners an amount equal to the amount deducted.
- (9) (a) The Revenue Commissioners shall make regulations providing generally as to administration of this section and those regulations may, in particular and without prejudice to the generality of the foregoing, include provision—
- (i) for the registration of persons as qualifying

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insurers for the purposes of this section and those regulations, Pr.1 S.20

(ii) that a claim under subsection (8)(b)(ii) by a qualifying insurer shall—

(I) be made in such form and manner,

(II) be made at such time, and

(III) be accompanied by such documents,

as provided for in the regulations,

(iii) for the making of annual information returns by qualifying insurers, in such form (including electronic form) and manner as may be prescribed, and containing specified details in relation to—

(I) each individual making payments to such insurers under qualifying long-term care policies in a year of assessment,

(II) the total amount of premiums paid under a qualifying long-term care policy by that individual in the year of assessment, and

(III) the total amount deducted by that individual under subsection (8)(a),

and

(iv) for the furnishing of information to the Revenue Commissioners for the purposes of the regulations.

(b) Every regulation made under this section shall be laid before Dáil Éireann as soon as may be after it is made and, if a resolution annulling the regulation is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the regulation is laid before it, the regulation shall be annulled accordingly, but without prejudice to the validity of anything previously done thereunder.

(10) (a) Where any amount is paid to a qualifying insurer by the Revenue Commissioners as an amount recoverable by virtue of subsection (8)(b)(ii) but is an amount to which that qualifying insurer is not entitled, that amount shall be repaid by the qualifying insurer.

(b) There shall be made such assessments, adjustments or set-offs as may be required for securing repayment of the amount referred to in paragraph (a) and the provisions of this Act relating to the assessment, collection and recovery of income tax shall, in so far as they are applicable and with necessary modification, apply in relation to the recovery of such amount.

(11) Where relief is given under this section in respect of a payment, relief shall not be given under any other provision of the Income Tax Acts in respect of that payment.

(12) The Revenue Commissioners may nominate any of their officers, including an inspector, to perform any acts and discharge any functions authorised by this section, other than those specified in subsection (9), to be performed or discharged by them.”,

(b) in Chapter 1 of Part 44, by the substitution in section 1024(2)(a) of the following for subparagraph (vi):

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“(vi) relief under sections 470, 470A and 473, Pr.1 S.20 to the husband or to the wife according as he or she made the payment giving rise to the relief;”

and

(c) in Schedule 29, by the insertion, in column 1, after “section 121” of “section 470A and Regulations under that section”.

21.—As respects the year of assessment 2001 and subsequent years of assessment, the Principal Act is amended in Chapter 1 of Part 5 by the insertion of the following section after section 112: Taxation of certain perquisites.

“112A.—(1) In this section—

‘appropriate percentage’, ‘authorised insurer’, ‘relevant contract’ and ‘relievable amount’ have the same meanings, respectively, as in section 470, and

‘qualifying insurer’ and ‘qualifying long-term care policy’ have the same meanings, respectively, as in section 470A.

(2) Section 112 shall apply in relation to a perquisite comprising the payment to—

(a) an authorised insurer under a relevant contract, or

(b) a qualifying insurer under a qualifying long-term care policy

as if any deduction authorised by—

(i) in a case in which paragraph (a) applies, section 470(3)(a), or

(ii) in a case in which paragraph (b) applies, section 470A(8)(a),

had not been made.

(3) Where, for any year of assessment, an employer (within the meaning of section 983)—

(a) makes a payment of emoluments consisting of a perquisite of the kind mentioned in subsection (2), and

(b) deducts therefrom and retains in accordance with—

(i) section 470(3)(a), an amount equal to the appropriate percentage for the year of assessment of the relievable amount in relation to the payment, or

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- (ii) section 470A(8)(a), an amount equal to the appropriate percentage for the year of assessment of the payment,

the employer shall be assessed and charged to income tax in an amount equal to the amount so deducted and retained and that amount shall be allowable as a deduction in charging to tax the profits or gains of such employer.

(4) Subsections (3) to (6) of section 238 shall apply, with necessary modifications, in relation to a payment referred to in subsection (3) as they apply in relation to a payment to which that section applies.”.

Amendment of Chapter 4 (revenue powers) of Part 38 of Principal Act.

22.—(1) As respects the year of assessment 2001 and subsequent years of assessment, the Principal Act is amended in Chapter 4 of Part 38 by the insertion of the following after section 904D (inserted by the Finance Act, 2000):

“Power of inspection: claims by authorised insurers.

904E.—(1) In this section—

‘authorised insurer’ has the same meaning as in section 470;

‘authorised officer’ means an officer of the Revenue Commissioners authorised by them in writing to exercise the powers conferred by this section.

(2) An authorised officer may at all reasonable times enter any premises or place of business of an authorised insurer for the purpose of auditing for a year of assessment claims made by the authorised insurer under section 470(3)(b)(ii).

(3) Without prejudice to the generality of subsection (2), the authorised officer may—

- (a) examine the procedures put in place by the authorised insurer in relation to the vouching of claims referred to in that subsection, and

- (b) check a sample of the cases in respect of which such a claim has been made to determine whether the procedures referred to in paragraph (a) have been observed in practice and whether they are adequate.

(4) An authorised officer may require an authorised insurer or an employee of the authorised insurer to furnish information, explanations and particulars and to give all assistance which the authorised officer reasonably requires for the purposes of his or her audit and examination under subsections (2) and (3).

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(5) An authorised officer when exercising or performing his or her powers or duties under this section shall, on request, produce his or her authorisation for the purposes of this section. Pr.1 S.22

(6) An employee of an authorised insurer who fails to comply with the requirements of the authorised officer in the exercise or performance of the authorised officer's powers or duties under this section shall be liable to a penalty of £1,000.

(7) An authorised insurer which fails to comply with the requirements of the authorised officer in the exercise or performance of the authorised officer's powers or duties under this section shall be liable to a penalty of £15,000 and, if that failure continues, a further penalty of £2,000 for each day on which the failure continues."

(2) As respects the year of assessment 2002 and subsequent years of assessment, section 904E (inserted by *subsection (1)*) of the Principal Act is amended—

(a) by the substitution in subsection (6) of "€1,265" for "£1,000", and

(b) by the substitution in subsection (7) of—

(i) "€19,045" for "£15,000", and

(ii) "€2,535" for "£2,000".

(3) As respects the year of assessment 2002 and subsequent years of assessment, the Principal Act is amended in Chapter 4 of Part 38 by the insertion of the following after section 904E (inserted by *subsection (1)*):

"Power of inspection: claims by qualifying lenders.

904F.—(1) In this section—

'authorised officer' means an officer of the Revenue Commissioners authorised by them in writing to exercise the powers conferred by this section;

'books, records or other documents' includes—

(a) any records used in the business of a qualifying lender whether—

(i) comprised in bound volume, loose-leaf binders or other loose-leaf filing system, loose-leaf ledger sheets, pages, folios or cards, or

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(ii) kept on microfilm, magnetic tape or in any non-legible form (by the use of electronics or otherwise) which is capable of being reproduced in a legible form, and

(b) every electronic or other automatic means, if any, by which any such thing in non-legible form is so capable of being reproduced, and

(c) documents in manuscript, documents which are typed, printed, stencilled or created by any other mechanical or partly mechanical process in use from time to time and documents which are produced by any photographic or photostatic process, and

(d) correspondence and records of other communications between a qualifying lender and an individual having a qualifying mortgage loan from that qualifying lender;

‘qualifying lender’ and ‘qualifying mortgage loan’ have the same meanings respectively as in section 244A.

(2) An authorised officer may at all reasonable times enter any premises or place of business of a qualifying lender for the purpose of auditing for a year of assessment claims made by the qualifying lender under section 244A(2)(b)(ii).

(3) Without prejudice to the generality of subsection (2), the authorised officer may—

(a) examine the procedures put in place by the qualifying lender in relation to the vouching of claims referred to in that subsection, and

(b) check a sample of the cases in respect of which such a claim has been made to determine whether the procedures referred to in paragraph (a) have been observed in practice and whether they are adequate.

(4) An authorised officer may require a qualifying lender or an employee of the qualifying lender to produce books, records or other documents and to furnish information, explanations and particulars and to give all assistance, which the authorised officer reasonably requires for the purposes of his or her audit and examination under subsections (2) and (3).

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(5) An authorised officer may make extracts Pr.1 S.22
from or copies of all or any part of the books,
records or other documents or other material
made available to him or her or require that cop-
ies of books, records, or other documents be
made available to him or her, in exercising or per-
forming his or her powers or duties under this
section.

(6) An authorised officer when exercising or
performing his or her powers or duties under this
section shall, on request, produce his or her auth-
orisation for the purposes of this section.

(7) An employee of a qualifying lender who
fails to comply with the requirements of the auth-
orised officer in the exercise or performance of
the authorised officer's powers or duties under
this section shall be liable to a penalty of €1,265.

(8) A qualifying lender which fails to comply
with the requirements of the authorised officer
in the exercise or performance of the authorised
officer's powers or duties under this section shall
be liable to a penalty of €19,045 and if that failure
continues a further penalty of €2,535 for each day
on which the failure continues.”.

(4) As respects the year of assessment 2001 and subsequent years
of assessment, the Principal Act is amended in Chapter 4 of Part
38 by the insertion of the following after section 904F (inserted by
subsection (3)):

“Power of
inspection: claims
by qualifying
insurers.

904G.—(1) In this section—

‘authorised officer’ means an officer of the Rev-
enue Commissioners authorised by them in writ-
ing to exercise the powers conferred by this
section;

‘qualifying insurer’ and ‘qualifying long-term care
policies’ have the same meanings respectively as
in section 470A.

(2) An authorised officer may at all reasonable
times enter any premises or place of business of
a qualifying insurer for the purpose of auditing
for a year of assessment claims made by the quali-
fying insurer under section 470A(8)(b)(ii).

(3) Without prejudice to the generality of sub-
section (2), the authorised officer may—

(a) examine the procedures put in place by
the qualifying insurer in relation to
the vouching of claims referred to in
that subsection, and

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(b) check a sample of the cases in respect of which such a claim has been made to determine whether the procedures referred to in paragraph (a) have been observed in practice and whether they are adequate.

(4) An authorised officer may require a qualifying insurer or an employee of the qualifying insurer to furnish information, explanations and particulars and to give all assistance which the authorised officer reasonably requires for the purposes of his or her audit and examination under subsections (2) and (3).

(5) An authorised officer when exercising or performing his or her powers or duties under this section shall, on request, produce his or her authorisation for the purposes of this section.

(6) An employee of a qualifying insurer who fails to comply with the requirements of the authorised officer in the exercise or performance of the authorised officer's powers or duties under this section shall be liable to a penalty of £1,000.

(7) A qualifying insurer which fails to comply with the requirements of the authorised officer in the exercise or performance of the authorised officer's powers or duties under this section shall be liable to a penalty of £15,000 and, if that failure continues, a further penalty of £2,000 for each day on which the failure continues.

Power of inspection: qualifying savings managers.

904H.—(1) In this section—

‘authorised officer’ means an officer of the Revenue Commissioners authorised by them in writing to exercise the powers conferred by this section;

‘qualifying savings manager’ has the same meaning as in section 848B (inserted by the *Finance Act, 2001*);

‘special savings incentive account’ has the same meaning as in section 848B (inserted by the *Finance Act, 2001*).

(2) An authorised officer may at all reasonable times enter any premises or place of business of a qualifying savings manager, or a person (in this section referred to as an ‘appointed person’) appointed by a qualifying savings manager in accordance with section 848R (inserted by the *Finance Act, 2001*), for the purposes of auditing compliance with the provisions of Part 36A (inserted by the *Finance Act, 2001*) and without prejudice to the generality of the foregoing the authorised officer may—

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- (a) audit the returns made in accordance with sections 848P and 848Q (inserted by the *Finance Act, 2001*),
- (b) examine the procedures put in place by the qualifying savings manager, or as the case may be, the appointed person, so as to ensure compliance with the obligations imposed by Part 36A (inserted by the *Finance Act, 2001*),
- (c) examine all, or a sample of, special savings incentive accounts to determine—
- (i) whether those procedures have been observed in practice,
 - (ii) whether the terms under which each such account was commenced and continues, are in accordance with the terms referred to in section 848C (inserted by the *Finance Act, 2001*), and
 - (iii) whether the qualifying savings manager, in respect of each such account, is, where appropriate, in possession of a declaration referred to in sections 848F, 848I, and 848O (inserted by the *Finance Act, 2001*), and is not in possession of any information which would reasonably suggest that any such declaration is incorrect,

and

- (d) examine any notice and declaration referred to in section 848N(3) (inserted by the *Finance Act, 2001*).

(3) An authorised officer may require a qualifying savings manager, or (as the case may be) the appointed person, or an employee of either such person, to produce all or any of the records relating to the management by him or her of special savings incentive accounts and furnish information, explanations and particulars and to give all assistance, which the authorised officer reasonably requires for the purposes of his or her audit and examination under subsection (2).

(4) An employee of a qualifying savings manager or of an appointed person who fails to comply with the requirements of the authorised officer in the exercise or performance of the authorised officer's powers or duties under this section shall be liable to a penalty of £1,000.

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(5) A qualifying savings manager or an appointed person who fails to comply with the requirements of the authorised officer in the exercise or performance of the authorised officer's powers or duties under this section shall be liable to a penalty of £15,000 and, if that failure continues, a further penalty of £2,000 for each day on which the failure continues.”.

(5) As respects the year of assessment 2002 and subsequent years of assessment—

(a) section 904G (inserted by *subsection (4)*) of the Principal Act is amended—

(i) by the substitution in subsection (6) of “€1,265” for “£1,000”, and

(ii) by the substitution in subsection (7) of—

(I) “€19,045” for “£15,000”, and

(II) “€2,535” for “£2,000”,

and

(b) section 904H (inserted by *subsection (4)*) of the Principal Act is amended—

(i) by the substitution in subsection (4) of “€1,265” for “£1,000”, and

(ii) by the substitution in subsection (5) of—

(I) “€19,045” for “£15,000”, and

(II) “€2,535” for “£2,000”.

Tax relief at source for certain interest.

23.—(1) As respects the year of assessment 2002 and subsequent years of assessment, the Principal Act is amended in Chapter 3 of Part 8 by the insertion of the following section after section 244:

“Application of section 244 (relief for interest paid on certain home loans) of Principal Act.

244A.—(1) (a) In this section—

(i) ‘qualifying dwelling’, in relation to an individual, means a qualifying residence situated in the State;

‘qualifying lender’ has the meaning assigned to it by subsection (3);

‘qualifying mortgage interest’, in relation to an individual and a year of assessment, means the qualifying interest paid by the

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individual in the year of assess- Pr.1 S.23
ment in respect of a qualifying
mortgage loan;

‘qualifying mortgage loan’, in
relation to an individual, means a
qualifying loan or loans secured
by the mortgage of freehold or
leasehold estate or interest in a
qualifying dwelling, and

(ii) ‘appropriate percentage’, ‘qualify-
ing interest’, ‘qualifying loan’,
‘qualifying residence’ and ‘reliev-
able interest’ have the same
meanings, respectively, as they
have in section 244.

(b) This section provides for a scheme
whereby relief due under section 244
shall, in certain circumstances, be
given by way of deduction at source
(‘the tax relief at source scheme’)
under subsection (2)(a) and in no
other manner.

(2) (a) Where an individual makes a payment
of qualifying mortgage interest to a
qualifying lender in respect of which
relief is due under section 244, the
individual shall be entitled in accord-
ance with regulations to deduct and
retain out of it an amount equal to the
appropriate percentage, for the year
of assessment in which the payment is
due, of the relivable interest.

(b) A qualifying lender to which a payment
referred to in paragraph (a) is made—

(i) shall accept in accordance with
regulations the amount paid after
deduction in discharge of the
individual’s liability to the same
extent as if the deduction had not
been made, and

(ii) may, on making a claim in accord-
ance with regulations, recover
from the Revenue Com-
missioners an amount equal to
the amount deducted.

(3) The following bodies shall be qualifying
lenders—

(a) a bank holding a licence under section 9
of the Central Bank Act, 1971;

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- (b) a building society incorporated or deemed to be incorporated under the Building Societies Act, 1989;
 - (c) a trustee savings bank within the meaning of the Trustee Savings Banks Act, 1989;
 - (d) ACC Bank plc;
 - (e) a local authority;
 - (f) a body which—
 - (i) (I) holds a licence or similar authorisation, corresponding to a licence referred to in paragraph (a), or

(II) has been incorporated in a manner corresponding to that referred to in paragraph (b),

under the law of any other Member State of the European Communities,

and
 - (ii) provides qualifying mortgage loans;

and
 - (g) a body which applies to the Revenue Commissioners for registration as a qualifying lender and in respect of which the Revenue Commissioners, having regard to the activities and objects of the body, are satisfied is entitled to be so registered.
- (4) (a) The Revenue Commissioners shall maintain, and publish in such manner as they consider appropriate, a register for the purposes of subsection (3).
- (b) If the Revenue Commissioners are satisfied that an applicant for registration is entitled to be registered, they shall register the applicant with effect from such date as may be specified by them.
- (c) If it appears to the Revenue Commissioners at any time that a body which is registered under this subsection would not be entitled to be registered if it applied for registration at that time, the Revenue Commissioners may, by written notice

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given to the body, cancel its registration with effect from such date as may be specified by them in the notice. Pr.1 S.23

- (d) Any body which is aggrieved by the failure of the Revenue Commissioners to register it or by the cancellation of its registration, may, by notice given to the Revenue Commissioners before the end of the period of 30 days beginning with the date on which the body is notified of the Revenue Commissioners' decision, require the matter to be determined by the Appeal Commissioners and the Appeal Commissioners shall hear and determine the matter in like manner as an appeal.
- (5) (a) The Revenue Commissioners shall make regulations providing generally as to administration of this section and those regulations may, in particular and without prejudice to the generality of the foregoing, include provision—
- (i) that a claim under subsection (2)(b)(ii) shall be—
- (I) made in such form and manner,
- (II) made at such time, and
- (III) accompanied by such documents,
- as provided for in the regulations,
- (ii) that, in circumstances specified in regulations, a claim may be made under subsection (2)(b)(ii) where a payment is due but not made;
- (iii) for the making by qualifying lenders, in such form and manner as may be prescribed, of monthly returns containing particulars in relation to—
- (I) each individual making payments of qualifying mortgage interest,
- (II) the amount of qualifying mortgage interest paid or due by the individual to

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date in the year of assessment,

- (III) the amount deducted by the individual, or the amount he or she would have been entitled to deduct, under subsection (2)(a),
 - (IV) the estimated qualifying mortgage interest to be paid by the individual in the year of assessment,
 - (V) the total amount of qualifying mortgage loans of the qualifying lender outstanding at the date of the return,
 - (VI) the total amount claimed by the qualifying lender under subsection (2)(b)(ii) for the month to which the return relates,
 - (VII) qualifying mortgage loans repaid in full in that month, and
 - (VIII) such other matters as may be specified;
- (iv) for the transmission by the Revenue Commissioners to qualifying lenders, on a monthly basis, of such details as may be specified in the regulations in relation to—
- (I) qualifying mortgage loans, and
 - (II) individuals with qualifying mortgage loans,
- which are necessary for the operation of this section;
- (v) in relation to the obligations and entitlements of individuals with qualifying mortgage loans under the tax relief at source scheme;
- (vi) in relation to the obligations and entitlements of qualifying lenders under the tax relief at source scheme;

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(vii) for deeming of certain qualifying mortgage loans, in such circumstances as may be specified in the regulations, as being no longer entitled to relief under this section; Pr.1 S.23

(viii) for the granting of appropriate relief in any case where inadequate or excessive relief has been granted under this section; and

(ix) for the implementation of this section where a qualifying lender disposes of all or part of its qualifying mortgage loans.

(b) Every regulation made under this section shall be laid before Dáil Éireann as soon as may be after it is made and, if a resolution annulling the regulation is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the regulation is laid before it, the regulation shall be annulled accordingly, but without prejudice to the validity of anything previously done thereunder.

(6) (a) Where any amount is paid to a qualifying lender by the Revenue Commissioners as an amount recoverable by virtue of subsection (2)(b)(ii) but is an amount to which that qualifying lender is not entitled, that amount shall be repaid by the qualifying lender.

(b) There shall be made such assessments, adjustments or set-offs as may be required for securing repayment of the amount referred to in paragraph (a) and the provisions of this Act relating to the assessment, collection and recovery of income tax shall, in so far as they are applicable and with necessary modification, apply in relation to the recovery of such amount.”.

(2) Schedule 29 to the Principal Act is amended in column 1 by the insertion after “section 121” of “section 244A and Regulations under that section”.

24.—(1) In this section “qualifying lender” has the same meaning as in section 244A (inserted by this Act) of the Principal Act.

Provision of certain information: transitional.

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(2) (a) A qualifying lender shall, on receipt of a request from the Revenue Commissioners, furnish to them the information specified in paragraph (b) in relation to every individual having a loan or loans, secured by the mortgage of freehold or leasehold estate or interest in a dwelling, with that qualifying lender in the year of assessment 2001.

(b) The information referred to in paragraph (a) is as follows—

- (i) the name and address of the individual, and
- (ii) the account number of the qualifying lender relating to the loan or loans referred to in paragraph (a).

(3) The information referred to in subsection (2) shall be used by the Revenue Commissioners for the purpose of facilitating the granting of relief under section 244A of the Principal Act and shall not be used for any other purpose.

(4) The provisions of section 872 of the Principal Act shall not apply or have effect in relation to information acquired by the Revenue Commissioners under the provisions of this section.

Amendment of section 120A (exemption from benefit-in-kind of certain childcare facilities) of Principal Act.

25.—Section 120A of the Principal Act is amended in the definition of “qualifying premises”—

(a) by the substitution in paragraph (b) of “service” for “service, or” and by the insertion in paragraph (c) of “or” after “service,”,

(b) by the insertion of the following after paragraph (c):

“(d) are made available by the employer jointly with other persons or are made available by any other person or persons and the employer is wholly or partly responsible for capital expenditure on the construction or refurbishment of the premises,”,

and

(c) by the insertion after subsection (2) of the following:

“(3) In the case of a qualifying premises within the meaning of paragraph (d) of the definition of ‘qualifying premises’, the exemption provided for in subsection (2) shall be limited to the amount expended by the employer on capital expenditure on the construction or refurbishment of the premises.”.

Amendment of section 669A (interpretation (Chapter 3)) of Principal Act.

26.—Section 669A of the Principal Act is amended by the substitution of the following for paragraph (b) of the definition of “qualifying quota”:

“(b) a milk quota purchased by a lessee who entered into a lease agreement with a lessor in respect of that quota prior to 13 October 1999 and which ends on or after 31 March 2000 and which complies with the provisions of Council

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Regulation (EEC) No. 857/84 of 31 March 1984¹ or Council Regulation (EEC) No. 3950 of 28 December 1992;”. Pr.1 S.26

27.—Section 669C of the Principal Act is amended in subsection (2) by the substitution of “chargeable period” for “accounting period.”. Amendment of section 669C (effect of sale of quota) of Principal Act.

28.—Section 530 of the Principal Act is amended in subsection (1): Amendment of section 530 (interpretation (Chapter 2)) of Principal Act.

(a) by the insertion before the definition of “construction operations” of the following definition:

“‘certified subcontractor’, in relation to a principal, means a subcontractor—

(a) in respect of whom the principal holds, at the time of making a payment under a relevant contract to the subcontractor, a relevant payments card for the year in which the payment is made, and

(b) in respect of whom the principal has not received a notice under paragraph (a) of subsection (13) of section 531;”,

and

(b) by the insertion after the definition of “subcontractor” of the following definition:

“‘uncertified subcontractor’ means a subcontractor who is not a certified subcontractor.”.

29.—(1) Chapter 1 of Part 15 of the Principal Act, is amended by the insertion of the following after section 473— Relief for fees paid for third level education, etc.

“Relief for fees paid for third level education, etc.

473A.—(1) In this section—

‘academic year’, in relation to an approved course, means a year of study commencing on a date not earlier than the 1st day of August in a year of assessment;

‘appropriate percentage’, in relation to a year of assessment, means a percentage equal to the standard rate of tax for that year;

‘approved college’, in relation to a year of assessment, means—

(a) a college or institution of higher education in the State which—

(i) provides courses to which a scheme approved by the Minister under the Local Authorities (Higher Education Grants) Acts, 1968 to 1992, applies, or

(ii) operates in accordance with a code of standards which

¹ O.J. No. L90, of 1 April 1984, p.13.

from time to time may, with the consent of the Minister for Finance, be laid down by the Minister, and which the Minister approves for the purposes of this section;

- (b) any university or similar institution of higher education in a Member State of the European Union (other than the State) which—
 - (i) is maintained or assisted by recurrent grants from public funds of that or any other Member State of the European Union (including the State), or
 - (ii) is a duly accredited university or institution of higher education in the Member State in which it is situated;
- (c) a college or institution in another Member State of the European Union providing distance education in the State, which—
 - (i) provides courses to which a scheme approved by the Minister under the Local Authority (Higher Education Grants) Acts, 1968 to 1992, applies, or
 - (ii) operates in accordance with a code of standards which from time to time may, with the consent of the Minister for Finance, be laid down by the Minister, and which the Minister approves for the purposes of this section;
- (d) any university or similar institution of higher education in any country, other than the State or a Member State of the European Union which—
 - (i) is maintained or assisted by recurrent grants from public funds of that country, or
 - (ii) is a duly accredited university or institution of higher education in the country in which it is situated;

‘approved course’ means—

- (a) a full-time or part-time undergraduate course of study provided by

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a college to which paragraph (a), Pr.1 S.29
(b) or (c) of the definition of
'approved college' relates
which—

- (i) is of at least 2 academic years' duration, and
 - (ii) in the case of a course provided by a college to which paragraph (a)(ii) or (c)(ii) of the definition of 'approved college' relates, the Minister, having regard to a code of standards which from time to time may, with the consent of the Minister for Finance, be laid down by the Minister in relation to the quality of education to be offered on such approved course, approves of for the purposes of this section;
- (b) a postgraduate course of study leading to a postgraduate award, based on a thesis or on the results of an examination or both, in an approved college—
- (i) of not less than one academic year, but not more than 4 academic years, in duration,
 - (ii) that requires an individual, undertaking the course, to have been conferred with a degree or an equivalent qualification, and
 - (iii) that, in the case of a course provided by a college to which paragraph (a)(ii) of the definition of 'approved college' relates, the Minister, having regard to any code of standards which from time to time may, with the consent of the Minister for Finance, be laid down by the Minister in relation to the quality of education to be offered on such approved course, approves for the purposes of this section;

'dependant', in relation to an individual, means a spouse or child of the individual or a person in respect of whom the individual is or was the legal guardian;

‘the Minister’ means the Minister for Education and Science;

‘qualifying fees’, in relation to an approved course and an academic year, means the amount of fees chargeable in respect of tuition to be provided in relation to that course in that year which, with the consent of the Minister for Finance, the Minister approves of for the purposes of this section.

(2) Subject to this section, where an individual for a year of assessment proves that he or she has, on his or her own behalf or on behalf of his or her dependant, made a payment in respect of qualifying fees in respect of an approved course for the academic year in relation to that course commencing in that year of assessment, the income tax to be charged on the individual for that year of assessment, other than in accordance with section 16(2), shall be reduced by an amount which is the lesser of—

- (a) the amount equal to the appropriate percentage of the aggregate of all such payments proved to be so made, and
- (b) the amount which reduces that income tax to nil.

(3) In the case of an individual who is a married person assessed to tax for a year of assessment in accordance with section 1017, any payment in respect of qualifying fees made by the individual’s spouse shall, except where section 1023 applies, be deemed to have been made by the individual.

(4) For the purposes of this section, a payment in respect of qualifying fees shall be regarded as not having been made in so far as any sum in respect of, or by reference to, such fees has been or is to be received, directly or indirectly, by the individual, or, as the case may be, his or her dependant, from any source whatever by means of grant, scholarship or otherwise.

- (5) (a) Where the Minister is satisfied that an approved college, within the meaning of paragraph (a)(ii) or (c)(ii) of the definition of ‘approved college’, or an approved course in that college, no longer meets the appropriate code of standards laid down, the Minister may by notice in writing given to the approved college withdraw, with effect from the year of assessment following the year of assessment in which the

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notice is given, the approval of Pr.1 S.29
that college or course, as the case
may be, for the purposes of this
section.

(b) Where the Minister withdraws the approval of any college or course for the purposes of this section, notice of its withdrawal shall be published as soon as may be in *Iris Oifigiúil*.

(6) Any claim for relief under this section made by an individual in respect of fees paid to an approved college shall be accompanied by a statement in writing made by the approved college concerned stating each of the following, namely—

- (a) that the college is an approved college for the purposes of this section,
- (b) the details of the course undertaken by the individual or his or her dependant,
- (c) the duration of the course, and
- (d) the amount of the fees paid in respect of the course.

(7) Where for the purposes of this section any question arises as to whether—

- (a) a college is an approved college, or
- (b) a course of study is an approved course,

the Revenue Commissioners may consult with the Minister.

(8) On or before 1 July in each year of assessment, the Minister shall furnish the Revenue Commissioners with full details of—

- (a) all colleges and courses in respect of which approval has been granted and not withdrawn for the purposes of this section, and
- (b) the amount of the qualifying fees in respect of each such course for the academic year commencing in that year of assessment.”.

(2) Chapter 1 of Part 15 of the Principal Act is further amended by the deletion in Part 2 of the Table to section 458 of “section 474”, “section 474A”, “section 475” and “section 475A” and by the insertion of “section 473A” after “section 473”.

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(3) Sections 474, 474A, 475 and 475A of the Principal Act, are repealed.

Seafarer allowance,
etc.

30.—Section 472B of the Principal Act is amended—

(a) in subsection (4)—

- (i) as respects the year of assessment 2001, by the substitution of “125 days” and “£3,700” for “169 days” and “£5,000”, respectively, and
- (ii) as respects the year of assessment 2002 and subsequent years of assessment, by the substitution of “€6,350” for “£5,000”,

and

(b) by the insertion after subsection (4) of the following:

“(4A) (a) Notwithstanding subsection (4), but subject to paragraph (b)—

- (i) as respects the year of assessment 2001, the reference in that subsection to ‘125 days’ shall be construed as a reference to ‘119 days’, and
- (ii) as respects the year of assessment 2002 and subsequent years of assessment, the reference in that subsection to ‘169 days’ shall be construed as a reference to ‘161 days’.

(b) Paragraph (a) shall come into operation on such day as the Minister for Finance may by order appoint.”.

Amendment of
section 823
(deduction for
income earned
outside the State)
of Principal Act.

31.—(1) Section 823 of the Principal Act is amended—

(a) in subsection (1)—

- (i) by the substitution of the following for the definition of “qualifying day”:

“‘qualifying day’, in relation to an office or employment of an individual, means a day on or before 31 December 2003 which is one of at least 11 consecutive days throughout the whole of which the individual is absent from the State for the purposes of the performance of the duties of the office or employment or of those duties and the duties of other offices or employments of the individual outside the State and which (taken as a whole) are substantially devoted to the performance of such duties, but no day shall be counted more than once as a qualifying day.”,

and

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- (ii) in the formula in the definition of “the specified amount”, by the substitution as respects the year of assessment 2001, of “270” for “365”,

and

(b) in subsection (3)—

- (i) after “90 days” by the insertion of “or, in the case where subparagraph (i) applies and the year of assessment concerned is the year of assessment 2001, 67 days”, and

- (ii) by the substitution as respects the year of assessment 2001, of “£18,500” for “£25,000”.

(2) *Subparagraph (a)(i) of subsection (1)* shall apply as on and from 26 January 2001.

32.—(1) The Principal Act is amended in Chapter 1 of Part 7 by the insertion of the following after section 216: Rent-a-room relief.

“216A.—(1) In this section—

‘qualifying residence’, in relation to an individual for a year of assessment, means a residential premises situated in the State which is occupied by the individual as his or her sole or main residence during the year of assessment;

‘relevant sums’ means all sums arising in respect of the use for the purposes of residential accommodation, of a room or rooms in a qualifying residence and includes sums arising in respect of meals, cleaning, laundry and other similar goods and services which are incidentally supplied in connection with that use;

‘residential premises’ means a building or part of a building used as a dwelling.

(2) (a) This subsection applies if—

- (i) relevant sums, chargeable to income tax under Case IV or Case V of Schedule D, arise to an individual (regardless of whether the relevant sums are chargeable to income tax under Case IV or Case V or under both Case IV and Case V), and

- (ii) the amount of the relevant sums does not exceed the individual’s limit for the year of assessment.

(b) In ascertaining the amount of relevant sums for the purposes of this subsection no deduction shall be made in respect of expenses or any other matter.

(c) Where this subsection applies the following shall be treated as nil for the purposes of the Income Tax Acts—

- (i) the profits or gains of the year of assessment, and

- (ii) the losses of any such year of assessment,

in respect of relevant sums arising to an individual.

- (d) Where an individual has relevant sums chargeable to income tax under Case V of Schedule D and an election under subsection (3)(a) has not been made, an allowance under section 284, which would on due claim being made be granted, shall be deemed to have been granted.
- (3) (a) Subsection (2) shall not apply for a year of assessment if an individual so elects by notice in writing to the inspector on or before the specified return date for the chargeable period (within the meaning of section 950).
- (b) An election under this subsection shall have effect only for the year of assessment for which it is made.
- (4) The provisions of the Income Tax Acts relating to the making of returns shall apply as if this section had not been enacted.
- (5) Subject to subsections (6) and (7), the limit of an individual referred to in subsection (2) is £6,000.
- (6) As respects the year of assessment 2001 the limit referred to in subsection (5) is £4,440.
- (7) Where relevant sums arise to more than one individual in respect of a qualifying residence the limits referred to in subsections (5) and (6) shall be divided by the number of such individuals.
- (8) Where subsection (2) applies, the receipt of relevant sums shall not operate so as to restrict or reduce any entitlement to relief under section 244 or 604.”.

(2) Section 216A (inserted by *subsection (1)*) of the Principal Act is amended as respects the year of assessment 2002 and subsequent years of assessment—

- (a) in subsection (5) by the substitution of “€7,620” for “£6,000”, and
- (b) by the deletion of subsection (6).

CHAPTER 3

Income Tax, Corporation Tax and Capital Gains Tax

Special savings
incentive accounts.

33.—(1) The Principal Act is amended by the insertion after Part 36 of the following:

“PART 36A

Special savings incentive accounts

Interpretation.

848B.—(1) In this Part—

‘deposit account’ means an account beneficially owned by an individual, which is—

- (a) an account into which a deposit (within

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the meaning of section 256(1)) is Pr.1 S.33
made, or

- (b) an account with a relevant European institution into which repayable funds are lodged;

‘investment undertaking’ has the meaning assigned to it in section 739B and ‘units in an investment undertaking’ shall be construed accordingly;

‘PPS Number’, in relation to an individual, means that individual’s Personal Public Service Number within the meaning of section 223 of the Social Welfare (Consolidation) Act, 1993;

‘qualifying assets’, subject to section 848G, means—

- (a) deposit accounts,
- (b) shares within the meaning of section 2(1) of the Credit Union Act, 1997,
- (c) units in an investment undertaking,
- (d) units in, or shares of, a relevant UCITS,
- (e) relevant life assurance policies,
- (f) shares issued by a company, wherever incorporated, officially listed on a recognised stock exchange, and
- (g) securities issued by or on behalf of a government;

‘qualifying individual’ means an individual who at the time of opening a special savings incentive account—

- (a) is 18 years of age, or older, and
- (b) is resident in the State;

‘qualifying savings manager’ means—

- (a) a person who is a holder of a licence granted under section 9 of the Central Bank Act, 1971, or a person who holds a licence or other similar authorisation under the law of any other Member State of the European Communities which corresponds to a licence granted under that section,
- (b) a building society within the meaning of section 256,

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- (c) a trustee savings bank within the meaning of the Trustee Savings Banks Act, 1989,
- (d) ACC Bank plc,
- (e) the Post Office Savings Bank,
- (f) a credit union within the meaning of the Credit Union Act, 1997,
- (g) an investment undertaking,
- (h) the holder of—
 - (i) an authorisation issued by the Minister for Enterprise, Trade and Employment under the European Communities (Life Assurance) Regulations of 1984 (S.I. No. 57 of 1984), as amended, or,
 - (ii) an authorisation granted by the authority charged by law with the duty of supervising the activities of insurance undertakings in a Member State of the European Communities, other than the State, in accordance with Article 6 of Directive No. 79/267/EEC¹, who is carrying on the business of life assurance in the State, or
 - (iii) an official authorisation to undertake insurance in Iceland, Liechtenstein and Norway pursuant to the EEA Agreement within the meaning of the European Communities (Amendment) Act, 1993, and who is carrying on the business of life assurance in the State,
- (i) a person which is an authorised member firm of the Irish Stock Exchange, within the meaning of the Stock Exchange Act, 1995, or a member firm (which carries on a trade in the State through a branch or agency) of a stock exchange of any other Member State of the European Communities,
- (j) a firm approved under section 10 of the Investment Intermediaries Act, 1995, which is authorised to hold client money, other than a firm authorised as a Restricted Activity Investment Product Intermediary, where the firm's authorisation permits it to engage in the proposed activities, or a

¹ O.J. No. L63 of 13 March, 1979, P.1.

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business firm which has been authorised to provide similar investment business services under the laws of a Member State of the European Communities which correspond to that Act, or

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- (k) the Minister for Finance, acting through the Agency (within the meaning of section (1) of the National Treasury Management Agency Act, 1990);

‘relevant European institution’ means an institution which is a credit institution (within the meaning of the European Communities (Licensing and Supervision of Credit Institutions) Regulations, 1992 (S.I. No. 395 of 1992)) which has been authorised by the Central Bank of Ireland to carry on business of a credit institution in accordance with the provisions of the supervisory enactments (within the meaning of those Regulations);

‘relevant UCITS’ means a UCITS situated in a Member State of the European Communities, other than the State, which has been authorised by the competent authorities of the Member State in which it is situated;

‘relevant life assurance policy’ means a policy of assurance which satisfies the conditions specified in subsection (3);

‘special savings incentive account’ has the meaning assigned to it in section 848C;

‘tax credit’, in relation to a subscription, has the meaning assigned to it in section 848D(1);

‘UCITS’ means undertakings for collective investment in transferable securities within the meaning of Article 1 of Council Directive 85/611² and references to—

- (a) ‘the Member State in which UCITS is situated’

and

- (b) a UCITS which has been ‘authorised by the competent authorities of the Member State in which it is situated’,

shall have the same meanings as in Articles 3 and 4 respectively of that Directive;

‘units in, or shares of, a relevant UCITS’ means the rights or interests (however described) of the holder of units or shares in that relevant UCITS.

(2) Nothing in this Part shall be construed as authorising or permitting a person who is a qualifying savings manager to provide any services

² O.J. No. L375 of 31 December, 1985, P.3.

which that person would not otherwise be authorised or permitted to provide in the State.

(3) The conditions referred to in the definition of ‘relevant life assurance policy’ in subsection (1) are that the policy of assurance is on the life of a person who beneficially owns the policy, and that the terms and conditions of the policy provide—

- (a) for an express prohibition of any transfer of the policy, or the rights conferred by the policy or any share or interest in the policy or rights respectively, other than the cash proceeds from the termination of the policy or a partial surrender of the rights conferred by the policy, to that person,
- (b) the policy, the rights conferred by the policy and any share or interest in the policy or rights respectively, shall not be capable of assignment, other than that the proceeds on the termination of the policy (other than on the death of the policyholder) may be transferred from a qualifying savings manager to another qualifying savings manager in accordance with the provisions of this Part, and
- (c) the policy is not issued in the course of annuity business or pension business, within the meaning of section 706.

Special savings
incentive account.

848C.—A special savings incentive account is a scheme of investment commenced on or after 1 May 2001 and on or before 30 April 2002 by a qualifying individual with a qualifying savings manager (who is registered in accordance with section 848R) under terms which include the following—

- (a) apart from tax credits, in relation to subscriptions, subscribed by the qualifying savings manager under section 848E(1)(b)(ii) only the qualifying individual, or the spouse of that individual, may subscribe to the account,
- (b) such subscriptions are funded by the qualifying individual, or the spouse of that individual, from funds available to either or both of them out of their own resources without recourse to borrowing, or the deferral of repayment (whether in respect of capital or interest) of sums already borrowed,
- (c) subject to paragraph (d), such subscriptions, ignoring any amounts withdrawn from the account by the qualifying individual—

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- (i) in the month the account is commenced and in each of the 11 months immediately after that month, are of an amount agreed between the qualifying individual and the qualifying savings manager when the account is commenced, which amount shall not be less than £10, and
 - (ii) in any one month, do not exceed £200,
- (d) such subscriptions, made in the month which is the month in which the fifth anniversary of the day of commencing the account falls, or thereafter, shall not be subscriptions for the purposes of section 848D,
- (e) such subscriptions and tax credits, in relation to such subscriptions, are to be used, and used only, by the qualifying savings manager to acquire qualifying assets which—
- (i) are held in the account and managed by the qualifying savings manager, and
 - (ii) are beneficially owned by the qualifying individual,
- (f) all or any of the qualifying assets can not be assigned or otherwise pledged, as security for a loan,
- (g) on commencing the account, the qualifying individual makes a declaration of a kind referred to in section 848F,
- (h) for the account to be treated as maturing (otherwise than in respect of the death of the qualifying individual) in accordance with section 848H(1), the qualifying individual shall make a declaration of a kind referred to in section 848I within the period commencing 60 days before and ending 30 days after the fifth anniversary of the commencement of the account,
- (i) that at the request of the qualifying individual, and within such time as shall be agreed, the account, with all rights and obligations of the parties thereto may be transferred to another qualifying savings manager in accordance with the provisions of this Part,
- (j) that the qualifying savings manager will notify the qualifying individual if he

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or she ceases to be a qualifying savings manager, or ceases to be registered in accordance with section 848R, and

- (k) that the qualifying savings manager will take reasonable measures—
 - (i) to establish that the PPS Number, contained in the declaration referred to in paragraph (g), made by a qualifying individual, is the PPS Number in relation to that individual, and
 - (ii) to ensure that the terms, provided for in this section, under which the account is commenced are and continue to be complied with, and
- (l) that the qualifying savings manager will retain a copy of all material used to establish the correctness of each PPS Number contained in a declaration in accordance with paragraph (k)(i), for so long as the declaration is required to be retained under section 848R(11) and on being so required by an inspector, will make such material available for inspection.

Tax credits.

848D.—Where a qualifying individual, or the spouse of that individual, subscribes to a special savings incentive account—

- (a) the qualifying individual shall be treated, for the purposes of the Tax Acts, as having paid a grossed up amount, which amount, after deducting income tax at the standard rate for the year of assessment 2001, leaves the amount of the subscription, and
- (b) the qualifying individual shall be entitled to be credited with the amount of income tax (in this Part referred to as the ‘tax credit’, in relation to the subscription) treated as having been so deducted, in accordance with the provisions of this Part and not under any other provision of the Tax Acts.

Payment of tax credit.

848E.—(1) Where a qualifying individual subscribes to a special savings incentive account, and the qualifying savings manager of that account complies with the provisions of section 848P in relation to that subscription—

- (a) the Revenue Commissioners shall, subject to that section, pay to the qualifying savings manager the tax credit in relation to that subscription, and

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(b) that tax credit shall—

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- (i) be beneficially owned by the qualifying individual, and
- (ii) on receipt, be immediately subscribed by the qualifying savings manager to the special savings incentive account.

(2) Subject to this Part, exemption from income tax and capital gains tax shall be allowed in respect of the income and chargeable gains arising in respect of qualifying assets held in a special savings incentive account.

(3) A deposit (within the meaning of section 256(1)) made to a deposit account which is a qualifying asset, shall not be a relevant deposit (within the meaning of that section) for the purposes of Chapter 4 of Part 8.

(4) Notwithstanding subsection (2), where in a year of assessment an individual commences a special savings incentive account, the individual is obliged to include in a return, required to be delivered by the individual under section 951, or as the case may be, section 879, in respect of that year of assessment, a statement to the effect that the individual has commenced such an account.

Declaration on commencement.

848F.—The declaration referred to in section 848C(g) is a declaration in writing made by the qualifying individual to the qualifying savings manager which—

- (a) is made and signed by the qualifying individual,
- (b) is made in such form—
 - (i) as may be prescribed or authorised by the Revenue Commissioners, and
 - (ii) which contains a reference to the offence of making a false declaration under section 848T,
- (c) contains the qualifying individual's—
 - (i) name,
 - (ii) address of his or her permanent residence,
 - (iii) PPS Number, and
 - (iv) date of birth,
- (d) declares at the time the declaration is made, that the qualifying individual—

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- (i) is resident in the State,
- (ii) has not commenced another special savings incentive account,
- (iii) is the person who will beneficially own the qualifying assets to be held in the account,
- (iv) will subscribe to the account from funds available to him or her, or his or her spouse, from their own resources, without recourse to borrowing, or the deferral of repayment (whether in respect of capital or interest) of sums already borrowed, and
- (v) will not assign or otherwise pledge qualifying assets to be held in the account as security for a loan,

and

- (e) contains an undertaking that if at any time the declaration ceases to be materially correct, the qualifying individual will advise the qualifying savings manager accordingly.

Acquisition of qualifying assets.

848G.—(1) Qualifying assets held in a special savings incentive account, managed by a qualifying savings manager and beneficially owned by a qualifying individual may not at any time—

- (a) be purchased (or otherwise acquired) by the qualifying savings manager, otherwise than—
 - (i) out of money which the qualifying savings manager holds in the account, and
 - (ii) by way of a bargain made at arm's length,
- (b) be purchased from the qualifying individual or any person connected with that individual (within the meaning of section 10), or
- (c) be connected with any other asset or liability of the qualifying individual or any other person connected with that individual (within the meaning of section 10) and for this purpose a qualifying asset is connected with another asset or a liability if the terms under which either asset or the liability is acquired and held would be different if the qualifying asset, the

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other asset or the liability, had not been acquired and held. Pr.1 S.33

(2) Shares fulfil the condition as to official listing in paragraph (f) of the definition of 'qualifying assets' in section 848B(1) if in pursuance of a public offer, a qualifying savings manager applies for the allotment or allocation to him or her of shares in a company which are due to be admitted to such listing within 30 days of the allocation or allotment, and which, when admitted to such a listing, would be qualifying assets.

Termination of special savings incentive account.

848H.—(1) A special savings incentive account is treated as maturing—

- (a) 30 days after the fifth anniversary of the end of the month in which a subscription was first made to the account where the qualifying individual has made a declaration of a kind referred to in section 848I, or,
- (b) on the day of the death of the qualifying individual,

whichever event first occurs.

(2) A special savings incentive account is treated as ceasing, where at any time before the account is treated as maturing—

- (a) any of the terms referred to in section 848C are not complied with, or
- (b) the qualifying individual is neither resident nor ordinarily resident in the State.

(3) Where a special savings incentive account is treated as maturing or ceasing—

- (a) the account thereafter shall not be a special savings incentive account for the purposes of section 848E, and
- (b) the assets remaining in the account after having regard to all liabilities to tax on gains treated as accruing to the account under this Part shall—
 - (i) where the assets are shares, securities, or units in, or shares of, a relevant UCITS, be treated for the purposes of the Capital Gains Tax Acts, as having been acquired by the qualifying individual at their then market value at that time,
 - (ii) where the asset is a relevant life assurance policy, be treated as if it were a policy commenced at

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that time and in respect of which premiums in an amount equal to the market value of the policy at that time had been paid at that time, for the purposes of Chapter 5 of Part 26, and

- (iii) where the asset is units in an investment undertaking, be treated as if the units had been acquired at that time, for their market value at that time, for the purposes of Chapter IA of Part 27.

Declaration on maturity.

848I.—The declaration referred to in section 848C(h) is a declaration in writing made by the qualifying individual to the qualifying savings manager which—

- (a) is made and signed by the qualifying individual,
- (b) is made in such form—
 - (i) as may be prescribed or authorised by the Revenue Commissioners, and
 - (ii) which contains a reference to the offence of making a false declaration under section 848T,
- (c) contains the qualifying individual's—
 - (i) name,
 - (ii) address of his or her permanent residence,
 - (iii) PPS Number, and
 - (iv) date of birth,
- (d) declares that at all times in the period from which the account was commenced until the date the declaration is made, the qualifying individual—
 - (i) was the beneficial owner of the qualifying assets held in the account,
 - (ii) had only one special savings incentive account,
 - (iii) was resident or ordinarily resident in the State,
 - (iv) subscribed to the account from funds available to the qualifying individual or his or her spouse without recourse to borrowing, or

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(whether of capital or interest) of
sums borrowed when the account
was commenced, and

- (v) did not assign or otherwise pledge
qualifying assets held in the
account as security for a loan.

Gain on maturity.

848J.—(1) On the day on which a special sav-
ings incentive account is treated as maturing, a
gain shall be treated as accruing on the account
in an amount determined under subsection (2).

(2) The amount of the gain referred to in sub-
section (1) is an amount equal to the aggregate
market value of all assets (including cash) held in
the account on the day the account is treated as
maturing, less the sum of all subscriptions
(including subscriptions made by the qualifying
savings manager under section 848E(1)(b)(ii)),
made to the account on or before that day to the
extent that they have not previously been treated,
in accordance with subsection (3), as having been
withdrawn from the account.

(3) For the purposes of subsection (2) where
there is a withdrawal from an account, the
amount withdrawn (before being reduced by any
tax liability arising under this Part in respect of
any gain treated as accruing to the account as a
result of the withdrawal) shall be treated as a
withdrawal of subscriptions to the extent that the
amount withdrawn does not exceed the total
amount of subscriptions (including subscriptions
made by the qualifying savings manager in
accordance with section 848E(1)(b)(ii)) made to
the account since commencement, reduced by the
amount of such subscriptions previously treated
as subscriptions withdrawn from the account
under this subsection.

(4) For the purposes of subsection (3) where
there is a withdrawal of assets (other than cash)
from an account the amount withdrawn shall be
the amount which is the market value of those
assets at the time of their withdrawal.

Gain on cessation.

848K.—(1) On the day on which a special sav-
ings incentive account is treated as ceasing, a gain
shall be treated as accruing on the account in an
amount determined under subsection (2).

(2) The amount of the gain referred to in sub-
section (1) is an amount equal to the aggregate
market value of all assets (including cash) held in
the account on the day the account is treated as
ceasing.

Gain on
withdrawal.

848L.—(1) Where before a special savings
incentive account is treated as maturing or ceas-
ing (as the case may be) a qualifying individual
withdraws cash or other assets from the account,

a gain shall be treated as accruing on the account in an amount determined under subsection (2).

(2) The amount of the gain referred to in subsection (1) is—

- (a) where the withdrawal is in cash, the amount of that cash, and
- (b) where the withdrawal is of assets (other than cash) an amount equal to the market value of such assets on the day of withdrawal.

Taxation of gains.

848M.—(1) A qualifying savings manager shall be liable to tax (in this Part referred to as ‘relevant tax’) on a gain treated under this Part as accruing to a special savings incentive account in an amount equal to 23 per cent of the amount of that gain.

(2) A qualifying savings manager who becomes liable under subsection (1) to an amount of relevant tax shall be entitled to withdraw sufficient funds from the account to which the gain is treated as accruing to satisfy that liability and the qualifying individual shall allow such withdrawal; but where there are no funds or insufficient funds available in the account out of which the qualifying savings manager may satisfy, or fully satisfy, such liability, the amount of relevant tax for which there are insufficient funds so available shall be a debt due to the qualifying savings manager from the qualifying individual.

(3) Subject to section 848P, the relevant tax in respect of a gain which in accordance with that section, is required to be included in a return, shall be due at the time by which the return is to be made and shall be paid by the qualifying fund manager without the making of an assessment; but relevant tax which has become so due may be assessed on the qualifying savings manager (whether or not it has been paid when the assessment is made) if that tax or any part of it is not paid on or before the due date.

(4) Where it appears to the inspector that there is any amount of relevant tax which ought to have been, but has not been, included in a return, or where the inspector is dissatisfied with any return, the inspector may make an assessment on the qualifying savings manager to the best of his or their judgment, and any amount of relevant tax due under an assessment made by virtue of this subsection shall be treated for the purposes of interest on unpaid tax as having been payable at the time when it would have been payable if a correct return had been made.

(5) (a) Any relevant tax assessed on a qualifying savings manager under this Chapter shall be due within one month

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after the issue of the notice of assessment (unless that tax is due earlier under subsection (3)) subject to any appeal against the assessment, but no such appeal shall affect the date when any amount is due under subsection (3).

- (b) On the determination of an appeal against an assessment under this section any relevant tax overpaid shall be repaid.
- (6) (a) The provisions of the Income Tax Acts relating to—
- (i) assessments to income tax,
 - (ii) appeals against such assessments (including the rehearing of appeals and the statement of a case for the opinion of the High Court), and
 - (iii) the collection and recovery of income tax,
- shall, in so far as they are applicable, apply to the assessment, collection and recovery of relevant tax.
- (b) Any amount of relevant tax payable in accordance with this Part without the making of an assessment shall carry interest at the rate of 1 per cent for each month or part of a month from the date when the amount becomes due and payable.
- (c) Subsections (2) to (4) of section 1080 shall apply in relation to interest payable under paragraph (b) as they apply in relation to interest payable under section 1080.
- (d) In its application to any relevant tax charged by any assessment made in accordance with this section, section 1080 shall apply as if subsection (1)(b) of that section were deleted.

Transfer of special savings incentive account.

848N.—(1) Where arrangements are made by a qualifying individual to transfer his or her special savings incentive account from one qualifying savings manager (in this section referred to as the ‘transferor’) to another qualifying savings manager (in this section referred to as the ‘transferee’) or the account is transferred in consequence of the transferor ceasing to act or to be a qualifying savings manager, the following provisions of this section shall apply.

(2) Where a transfer takes place under subsection (1)—

- (a) all subscriptions to the special savings incentive account in so far as they have not been applied to acquire qualifying assets, and all qualifying assets in the account, must be made to a single transferee,
- (b) the qualifying individual shall make a declaration of a kind referred to in section 848O to the transferee, and
- (c) the transferee shall thereafter for the purposes of this Part be the qualifying savings manager of the special savings incentive account transferred.

(3) The transferor shall within 30 days after the date of transfer—

- (a) give to the transferee a notice containing the information specified in subsection (4) and the declaration specified in subsection (5), and
- (b) pay to the transferee the aggregate of the amounts referred to in subsection (4)(b)(vi).

(4) The information referred to in subsection (3) is—

- (a) as regards the qualifying individual his or her—
 - (i) name,
 - (ii) address of permanent residence,
 - (iii) date of birth,
 - (iv) PPS Number,
 and
- (b) as respects the special savings incentive account transferred pursuant to this section—
 - (i) the date of transfer,
 - (ii) the date the account was commenced,
 - (iii) the identification of the assets held in the account,
 - (iv) the total of all subscriptions made to the account by the qualifying individual, or the spouse of that individual,

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(v) the total of all tax credits, in relation to subscriptions, subscribed to the account,

(vi) the amount of any dividends, and other amounts payable in respect of qualifying assets held in the account and amounts of tax credits, which have not been received by the transferor at the date of transfer, and

(vii) the amount of each withdrawal from the account and the date of each such withdrawal.

(5) The declaration referred to in subsection (3) is a declaration in writing made and signed by the transferor to the effect that—

(a) the transferor has fulfilled all obligations under this Part,

(b) the transferor has transferred to the transferee all money and qualifying assets held in the account and that where registration of any such transfer is required, the transferor has taken the necessary steps to ensure that those qualifying assets can be registered in the name of the transferee, and

(c) that, to the best of the qualifying savings manager's knowledge and belief, the information contained in the notice referred to in subsection (3) is correct.

(6) Notwithstanding section 848C, where a special savings incentive account is being transferred in accordance with this section it shall not be treated as ceasing should, during the period of the transfer, the qualifying assets held in the account, temporarily cease to be managed by a qualifying savings manager, or a qualifying savings manager who is registered in accordance with section 848R.

Declaration on transfer.

848O.—The declaration referred to in section 848N(2)(b) is a declaration in writing made by the qualifying individual to the qualifying savings manager who is the transferee referred to in that section, which—

(a) is made and signed by the qualifying individual,

(b) is made in such form—

(i) as may be prescribed or authorised by the Revenue Commissioners, and

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- (ii) which contains a reference to the offence of making a false declaration under section 848T,
- (c) contains the qualifying individual's—
 - (i) name,
 - (ii) address of his or her permanent residence,
 - (iii) PPS Number, and
 - (iv) date of birth,
 and
- (d) declares—
 - (i) at the time the declaration is made, that the qualifying individual—
 - (I) has not commenced another special savings incentive account, and
 - (II) is the person who beneficially owns the qualifying assets held in the account being transferred,
 - (ii) at the time the special savings incentive account was commenced, the qualifying individual was resident in the State,
 - (iii) that subscriptions to the account have been and will continue to be made from funds available to him or her, or his or her spouse, out of their own resources without recourse to borrowing, or the deferral of repayment (whether in respect of capital or interest) of sums borrowed when the account was commenced, and
 - (iv) has not and will not assign or otherwise pledge qualifying assets held in the account as security for a loan.

Monthly returns.

848P.—A qualifying savings manager who is or was registered in accordance with section 848R, shall, within 15 days of the end of every month, make a return (including, where it is the case, a nil return) to the Revenue Commissioners, which—

- (a) specifies in respect of all special savings incentive accounts managed by the qualifying savings manager in that month—

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- (i) the aggregate amount of tax credits, in relation to the aggregate of subscriptions made to those accounts in that month, Pr.1 S.33
- (ii) the aggregate amount of relevant tax to which the qualifying savings manager is liable in respect of gains treated as accruing on those accounts in that month, and
- (iii) the net amount (being the difference between the amounts specified in paragraphs (a) and (b)) due from or, as the case may be, to, the Revenue Commissioners,

and

- (b) contains a declaration in a form prescribed or authorised by the Revenue Commissioners that, to the best of the qualifying savings manager's knowledge and belief, the information referred to in paragraph (a) is correct.

Annual returns.

848Q.—A qualifying savings manager who is or was registered in accordance with section 848R shall in respect of each year of assessment, on or before 28 February in the year following the year of assessment, make a return (including, where it is the case, a nil return), to the Revenue Commissioners which in respect of the year of assessment—

- (a) specifies in respect of each special incentive savings account managed by the qualifying savings manager—
- (i) the name of the qualifying individual,
- (ii) the address of that individual's permanent residence,
- (iii) the PPS Number of the individual,
- (iv) the date the account was commenced,
- (v) the total amount of subscriptions made by the qualifying individual, or the spouse of that individual, to the account,
- (vi) the total amount of tax credits, in respect of subscriptions, subscribed to the account, and
- (vii) in respect of each gain accruing on the account—
- (I) the amount of relevant tax to which the qualifying savings

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manager has thereby
become liable, and

(II) whether the gain accrued
under section 848J, 848K or
848L,

and

(b) containing a declaration, in a form pre-
scribed or authorised by the Revenue
Commissioners, that to the best of the
qualifying savings manager's know-
ledge and belief—

(i) in respect of each special savings
incentive account referred to in
the return, the terms referred to
in section 848C have been and
are being complied with, and

(ii) the information referred to in
paragraph (a) and the declaration
referred to in subparagraph (i) is
correct.

Registration etc.

848R.—(1) A person can not be a qualifying
savings manager unless the person is included in
a register maintained by the Revenue Com-
missioners of persons registered in accordance
with subsection (5).

(2) Where at any time a qualifying savings
manager does not have a branch or business
establishment in the State, or has such a branch
or business establishment but does not intend to
carry out all the functions as a qualifying savings
manager at that branch or business establishment,
the qualifying savings manager shall not be regis-
tered in accordance with subsection (5) unless the
qualifying savings manager appoints for the time
being a person, who—

(a) where an individual, is resident in the
State, and

(b) where not an individual, has a business
establishment in the State,

to be responsible for securing the discharge of the
obligations which fall to be discharged by the
qualifying savings manager under this Part, and
advises the Revenue Commissioners of the ident-
ity of that person and the fact of that person's
appointment.

(3) Where a person has been appointed in
accordance with subsection (2), and subject to
subsection (4) that person shall—

(a) be entitled to act on the qualifying sav-
ings manager's behalf for any of the
purposes of the provisions of this Part,

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(b) shall secure (where appropriate by acting on the qualifying savings manager's behalf) the qualifying savings manager's compliance with and discharge of the obligations under this Part, and

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(c) shall be personally liable in respect of any failure of the qualifying savings manager to comply with or discharge any such obligations as if the obligations imposed on the qualifying savings manager were imposed jointly and severally on the qualifying savings manager and the person concerned.

(4) The appointment of a person in accordance with subsection (2) shall be treated as terminated in circumstances where—

(a) the Revenue Commissioners have reason to believe that the person concerned—

(i) has failed to secure the discharge of any of the obligations imposed on a qualifying savings manager under this Part, or

(ii) does not have adequate resources to discharge those obligations,

and

(b) the Revenue Commissioners have notified the qualifying savings manager and that person that they propose to treat the appointment of that person as having terminated with effect from the date of the notice.

(5) If the Revenue Commissioners are satisfied that an applicant for registration is entitled to be registered, they shall register the applicant with effect from such date as may be specified by them.

(6) If it appears to the Revenue Commissioners at any time that a qualifying savings manager who is registered under this section—

(a) would not be entitled to be registered if it applied for registration at that time, or

(b) has not complied with the provisions of this Part,

the Revenue Commissioners may, by written notice given to the qualifying savings manager, cancel its registration with effect from such date as may be specified in the notice.

(7) Any qualifying savings manager who is aggrieved by the failure of the Revenue Commissioners to register it or by the cancellation of its registration, may, by notice given to the Revenue Commissioners before the end of the period of 30 days beginning with the date on which the qualifying savings manager was notified of the Revenue Commissioners decision, require the matter to be determined by the Appeal Commissioners and the Appeal Commissioners shall hear and determine the matter in like manner as an appeal.

(8) A qualifying savings manager shall give notice to the Revenue Commissioners and the qualifying individuals whose special savings incentive accounts he or she manages of his or her intention to cease to act as the qualifying savings manager not less than 30 days before he or she so ceases so that his or her obligations to the Revenue Commissioners can be conveniently discharged at or about the time he or she ceases to so act, and the notice to the qualifying individuals shall inform them of their right to transfer their special savings incentive accounts under section 848N.

(9) Subject to subsection (10), every return to be made by a qualifying savings manager under section 848P and 848Q shall be made in electronic format approved by the Revenue Commissioners and shall be accompanied by a declaration made by the qualifying savings manager, in a form prescribed or authorised for that purpose by the Revenue Commissioners, to the effect that the return is correct.

(10) Where the Revenue Commissioners are satisfied that a qualifying savings manager does not have the facilities to make a return under section 848P or 848Q in the format referred to in subsection (9), such returns shall be made in writing in a form prescribed or authorised by the Revenue Commissioners, and shall be accompanied by a declaration made by the qualifying savings manager, on a form prescribed or authorised for that purpose by the Revenue Commissioners, to the effect that the return is correct.

(11) A qualifying savings manager shall retain—

(a) in respect of each special savings incentive account which is treated as maturing, the declarations of a kind referred to in sections 848F, 848I and 848O for a period of 3 years after the date on which the account was treated as maturing, and

(b) in respect of each special savings incentive account which is treated as ceasing, the declarations of a kind referred

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to in sections 848F and 848O for a Pr.1 S.33
period of 3 years after the date on
which the account was treated as
ceasing,

and on being so required by notice given to him
or her in writing by an inspector, make available
for inspection all or any such declarations.

Regulations.

848S.—(1) The Revenue Commissioners shall
make regulations providing generally as to the
administration of this Part and those regulations
may, in particular and without prejudice to the
generality of the foregoing include provisions—

- (a) as to the manner in which a qualifying
savings manager is to register under
section 848R,
- (b) as to the manner in which a return is to
be made under section 848P,
- (c) as to the manner in which a return is to
be made under section 848Q,
- (d) as to the manner in which tax credits are
to be paid under section 848E(1), or
the net amount referred to in section
848P(a)(iii),
- (e) as to the circumstances in which the Rev-
enue Commissioners may require a
qualifying savings manager to give a
bond or guarantee to the Revenue
Commissioners which is sufficient to
indemnify the Commissioners against
any loss arising by virtue of the fraud
or negligence of the qualifying savings
manager in relation to the operation
of the provisions of this Part, and
- (f) as to the manner in which a qualifying
savings manager ensures compliance
with the terms of special savings
incentive accounts provided for in
section 848C.

(2) Every regulation made under this section
shall be laid before Dáil Éireann as soon as may
be after it is made and, if a resolution annulling
the regulation is passed by Dáil Éireann within
the next 21 days on which Dáil Éireann has sat
after the regulation is laid before it, the regu-
lation shall be annulled accordingly but without
prejudice to the validity of anything previously
done thereunder.

Offences.

848T.—A person who makes a declaration
under section 848F, section 848I, section 848O or
section 848N(5) which is false, shall be guilty of
an offence and shall be liable on summary convic-
tion to a fine of £1,500, or, at the discretion of the
court, to imprisonment for a term not exceeding

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6 months or to both the fine and the imprisonment.

Disclosure of information.

848U.—Notwithstanding any obligation as to secrecy or other restriction upon disclosure of information imposed by or under statute or otherwise, where a qualifying savings manager has reasonable grounds to suspect that the terms, provided for under section 848C, under which a special savings incentive account was commenced, are not being complied with, the qualifying savings manager shall inform the Revenue Commissioners accordingly.”.

(2) (a) The Principal Act is amended in Part 36A (inserted by subsection (1))—

- (i) in section 848C(b)(i) by the substitution of “€12.50” for “£10”,
- (ii) in section 848C(b)(ii) by the substitution of “€254” for “£200”, and
- (iii) in section 848T by the substitution of “€1,900” for “£1,500”.

(b) This subsection shall apply as on and from 1 January 2002.

Amendment of section 97 (computational rules and allowable deductions) of Principal Act.

34.—Section 97 (as amended by the Finance (No. 2) Act, 1998) of the Principal Act is amended—

(a) in subsection (2B)—

- (i) by the substitution in paragraph (d) for “1997, or” of “1997,”,
- (ii) by the substitution in paragraph (e) for “during the year.” of “during the year, or”, and
- (iii) by the insertion of the following after paragraph (e):

“(f) in the purchase, improvement or repair of a premises which complies with the conditions of subsection (2F).”,

and

(b) by the insertion of the following after subsection (2E):

“(2F) (a) The conditions of this subsection are—

- (i) the premises was converted into multiple residential units prior to 1 October 1964,
- (ii) the premises was acquired by the chargeable person under a contract which was evidenced in writing on or after 5 January 2001,
- (iii) subsequent to the acquisition by the chargeable person of the premises, the number of residential units is not, subject

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to subparagraph (iv), reduced to less than 50 per cent of the total number of residential units contained in the premises at date of acquisition, Pr.1 S.34

- (iv) the premises consists throughout the year of a minimum of 3 residential units,
- (v) at all times during the year (except for reasonable periods of temporary disuse between the ending of one lease and the commencement of another lease) not less than 50 per cent of the residential units in the premises are let under a lease where the lessee in the case of each such letting is either—
 - (I) a local authority, or a person nominated by a local authority under an agreement in writing between the lessor and that local authority, or
 - (II) a person who, at the commencement of the tenancy, is entitled to a payment under section 179 of the Social Welfare (Consolidation) Act, 1993, in respect of rent,

and

- (vi) all the requirements of the following Regulations—
 - (I) the Housing (Standards for Rented Houses) Regulations, 1993 (S.I. No. 147 of 1993),
 - (II) the Housing (Rent Books) Regulations, 1993 (S.I. No. 146 of 1993), and
 - (III) the Housing (Registration of Rented Houses) Regulations, 1996 (S.I. No. 30 of 1996), as amended by the Housing (Registration of Rented Houses) (Amendment) Regulations, 2000 (S.I. No. 12 of 2000),

are complied with in relation to the premises throughout the year,

and

(b) in this subsection—

‘local authority’, in relation to a premises, means the council of a county or the corporation of a county or other borough or, where appropriate, the council of an urban district in whose functional area the premises is located;

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‘residential unit’ means a separately contained part of a residential premises used or suitable for use as a dwelling.”.

Amendment of section 177 (conditions as to residence and period of ownership) of Principal Act.

35.—As respects a redemption, repayment or purchase of its own shares by a company to which section 176 applies on or after 15 February 2001, section 177 of the Principal Act is amended by the substitution of the following for subsection (6):

“(6) The shares shall have been owned by the vendor throughout the period of—

- (a) where the shares were appropriated to the vendor under an approved scheme (within the meaning of Chapter 1 of Part 17), and to which the provisions of subsections (4) to (7) of section 515 do not apply, 3 years, and
- (b) in any other case, 5 years,

ending on the date of redemption, repayment or purchase, as the case may be.”.

Amendment of section 198 (certain interest not to be chargeable) of Principal Act.

36.—(1) Section 198 of the Principal Act is amended in subsection (1)—

- (a) by the substitution in the definition of “tax” in paragraph (a) for “corporation tax” of “income tax or corporation tax, as is appropriate,”
- (b) by the substitution in paragraph (b) for “company” of “person” in each place in which it occurs,
- (c) by the deletion of “and” at the end of subparagraph (i) of paragraph (c),
- (d) by the substitution in subparagraph (ii)(II) of paragraph (c) for “relevant territory.” of “relevant territory,” and by the insertion of “and” at the end of that subparagraph,
- (e) by the insertion after subparagraph (ii) of paragraph (c) of the following:

“(iii) a person shall not be chargeable to income tax in respect of interest paid by a company if—

- (I) the person is not resident in the State, and
- (II) the person is regarded for the purposes of this subsection as being a resident of a relevant territory,

and the interest is interest to which section 64(2) applies.”.

(2) This section shall apply as respects interest paid on or after the date of the passing of this Act.

Treatment of certain interest payments.

37.—(1) Part 8 of the Principal Act is amended—

- (a) in section 243—

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(i) by the insertion after subsection (1) of the following: Pr.1 S.37

“(1A) For the purposes of this section, ‘bank’ includes building society within the meaning of section 256(1).”,

and

(ii) in subsection (5)(a)—

(I) in subparagraph (I) by the deletion of “or”, and

(II) by the substitution for subparagraph (II) of the following:

“(II) the interest is interest referred to in paragraph (a), (b) or (h) of section 246(3), or

(III) the interest is interest to which section 64(2) applies,”,

and

(b) in section 246(1)—

(i) by the substitution for the definitions of “a collective investment undertaking” and “collective investor” of the following:

“‘bank’ includes building society within the meaning of section 256(1);”

and

(ii) by the substitution for the definition of “relevant person” of the following:

“‘investment undertaking’ means—

(a) a unit trust mentioned in section 731(5)(a),

(b) a special investment scheme within the meaning given to it in section 737, or

(c) an investment undertaking within the meaning given to it in section 739B;

‘relevant person’ means—

(a) a company, or

(b) an investment undertaking;”.

(2) This section shall apply to interest paid on or after the date of passing of this Act.

38.—(1) Part 20 of the Principal Act is amended—

(a) in section 615 as respects a disposal on or after 15 February 2001 by the substitution for subsection (2) of the following:

“(2) (a) Subject to this section, where—

Amendment of Part 20 (companies’ chargeable gains) of Principal Act.

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- (i) any scheme of reconstruction or amalgamation involves the transfer of the whole or part of a company's business to another company,
- (ii) (I) the company acquiring the assets is resident in the State at the time of the acquisition, or the assets are chargeable assets in relation to that company immediately after that time, and
(II) the company from which the assets are acquired is resident in the State at the time of the acquisition, or the assets are chargeable assets in relation to that company immediately before that time,

and

- (iii) the first-mentioned company receives no part of the consideration for the transfer (otherwise than by the other company taking over the whole or part of the liabilities of the business),

then, in so far as relates to corporation tax on chargeable gains, both companies shall be treated as if any assets included in the transfer were acquired by the one company from the other company for a consideration of such amount as would secure that on the disposal by means of the transfer neither a gain nor a loss would accrue to the company making the disposal, and for the purposes of section 556 the acquiring company shall be treated as if the respective acquisitions of the assets by the other company had been the acquiring company's acquisition of the assets.

(b) For the purposes of paragraph (a)—

- (i) an asset is a 'chargeable asset' in relation to a company at any time if, were the asset to be disposed of by the company at that time, any gain accruing to the company would be a chargeable gain, and
- (ii) a reference to a company shall apply only to a company which, by virtue of the law of a Member State of the European Communities, is resident for the purposes of tax in such a Member State, and for this purpose 'tax', in relation to a Member State of the European Communities other than the State, means any tax imposed in the Member State which corresponds to corporation tax in the State.",

(b) in section 616—

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(i) in subsection (1)—

(I) by the substitution for paragraph (a) of the following:

“(a) subject to section 621(1), a reference to a company or companies shall apply only to a company or companies, as limited by subsection (2), being a company or, as the case may be, companies which, by virtue of the law of a Member State of the European Communities, is or are resident for the purposes of tax in such a Member State, and for this purpose ‘tax’, in relation to a Member State of the European Communities other than the State, means any tax imposed in the Member State which corresponds to corporation tax in the State, and references to a member or members of a group of companies shall be construed accordingly;”

(II) in paragraph (e) by the substitution of “State;” for “State.”, and

(III) by the insertion after paragraph (e) of the following:

“(f) an asset is a ‘chargeable asset’ in relation to a company at any time if, were the asset to be disposed of by the company at that time, any gain accruing to the company would be a chargeable gain.”

and

(ii) in subsection (2)(b), by the deletion of “(although resident in the State)”

(c) in section 617 as respects a disposal on or after 15 February 2001 by the substitution for subsection (1) of the following:

“(1) Notwithstanding any provision in the Capital Gains Tax Acts fixing the amount of the consideration deemed to be received on a disposal or given on an acquisition, where—

(a) a member of a group of companies disposes of an asset to another member of the group,

(b) the company making the disposal is resident in the State at the time of the disposal or the asset is a chargeable asset in relation to that company immediately before that time, and

- (c) the other company is resident in the State at the time of the disposal or the asset is a chargeable asset in relation to that company immediately after that time,

both members shall, except where provided by subsections (2) and (3), be treated, in so far as relates to corporation tax on chargeable gains, as if the asset acquired by the member to whom the disposal is made were acquired for a consideration of such amount as would secure that on the other member's disposal neither a gain nor a loss would accrue to that other member; but, where it is assumed for any purpose that a member of a group of companies has sold or acquired an asset, it shall be assumed also that it was not a sale to or acquisition from another member of the group.”,

- (d) in section 618 as respects an acquisition or disposal on or after 15 February 2001—

- (i) by the substitution for subsection (1) of the following:

“(1) Where—

- (a) a company which is a member of a group of companies acquires an asset as trading stock of a trade to which this section applies,
- (b) the acquisition is from another company which is a member of the group, and
- (c) the asset did not form part of the trading stock of any such trade carried on by the other company,

the company acquiring the asset shall be treated for the purposes of section 596 as having acquired the asset otherwise than as trading stock and immediately appropriated it for the purposes of the trade as trading stock.”,

- (ii) by the insertion in subsection (2) after “formed part of the trading stock of a trade” of “to which this section applies”, and

- (iii) by the insertion after subsection (2) of the following:

“(3) This section applies to—

- (a) a trade carried on by a company which is resident in the State, and
- (b) a trade carried on in the State through a branch or agency by a company which is not so resident.”,

- (e) in section 619 as respects an acquisition on or after 15 February 2001 in subsections (1) and (2) by the substitution of “in the course of a disposal to which section 617 applies” for “at a time when both were members of the group”,

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(f) by the substitution for section 620 of the following:

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“Replacement of
business assets by
members of group.

620.—(1) For the purposes of this section ‘old assets’ and ‘new assets’ have the same meanings as in section 597.

(2) Subject to subsection (4), for the purposes of section 597 all the trades to which this section applies carried on by members of a group of companies shall be treated as a single trade (except in a case of one member of the group acquiring, or acquiring the interest in, the new assets from another member or disposing of, or disposing of the interest in, the old assets to another member).

(3) This section applies to—

(a) any trade carried on by a company which is resident in the State, and

(b) any trade carried on in the State through a branch or agency of a company which is not so resident.

(4) This section shall not apply unless—

(a) the company disposing of the old assets is resident in the State at the time of the disposal, or the assets are chargeable assets in relation to that company immediately before that time, and

(b) the company acquiring the new assets is resident in the State at the time of acquisition, or the assets are chargeable assets in relation to that company immediately after that time.”,

(g) by the insertion after section 620 of the following:

“Deemed disposal
in certain
circumstances.

620A.—(1) This section applies in relation to a company where—

(a) at any time on or after 15 February 2001 an asset ceases to be a chargeable asset in relation to the company—

(i) where at the time of the acquisition of the asset by the company the asset consisted of shares deriving their value or the greater part of their value from assets specified in paragraph (a) or (b) of section 29(3), by virtue of the assets ceasing to so derive their value or the greater part of their value, or

(ii) by virtue of the asset becoming situated outside the State,

and

(b) (i) the company acquired the asset in the course of—

(I) a transfer to which section 615 applies, or

(II) a disposal to which section 617 applies,

or

(ii) by virtue of section 620 the asset constitutes new assets for the purposes of section 597.

(2) Where this section applies in relation to a company, the company shall be deemed for the purposes of the Capital Gains Tax Acts and the Corporation Tax Acts—

(a) to have disposed of the asset immediately before the time when it ceased to be a chargeable asset in relation to the company, and

(b) immediately to have reacquired it,

at its market value at that time.”,

(h) in section 621 as respects a case in which the depreciatory transaction (within the meaning of section 621) is on or after 15 February 2001 by the substitution for the definition of a group of companies of the following:

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“a ‘group of companies’ may consist of companies some or all of which are not resident for the purposes of tax in a Member State of the European Communities.”, Pr.1 S.38

- (i) in section 623 as respects an asset acquired on or after 15 February 2001 by the substitution for subsection (2) of the following:

“(2) This section applies where—

- (a) a company (in this section referred to as the ‘chargeable company’) which is a member of a group of companies acquires an asset from another company which at the time of acquisition was a member of the group,
- (b) the chargeable company ceases to be a member of the group within the period of 10 years after the time of the acquisition,
- (c) the chargeable company is resident in the State at the time of acquisition of the asset, or the asset is a chargeable asset in relation to that company immediately after that time, and
- (d) the other company is resident in the State at the time of that acquisition, or the asset is a chargeable asset in relation to that company immediately before that time.”,

- (j) in section 624(5) by the substitution of “a company which is not resident in a Member State of the European Communities” for “a company resident outside the State”, and

- (k) in section 629(1) in the definition of “group” by the substitution of “a Member State of the European Communities” for “the State”.

- (2) (a) Except where the context otherwise requires and subject to *paragraph (b)*, this section applies from 15 February 2001.

(b) (i) *Subsection (1)(f)* applies in relation to cases in which—

(I) either the disposal or acquisition is on or after 15 February 2001, or

(II) both the disposal and acquisition are on or after that date.

- (ii) In a case to which *subparagraph (i)(I)* relates, any question of whether a company was, at the time of the acquisition or disposal corresponding to the disposal or acquisition referred to in that subparagraph, a member of a group shall be determined in accordance with section 616 as amended by *subsection (1)(b)*.

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Amendment of section 590 (attribution to participants of chargeable gains accruing to non-resident company) of Principal Act.

39.—(1) Section 590 of the Principal Act is amended in subsection (16)—

(a) in paragraph (b)(i) by the substitution of “section 617 (other than paragraphs (b) and (c) of subsection (1)), section 618 (with the omission of the words ‘to which this section applies’ in subsections (1)(a) and (2), of ‘such’ in subsection (1)(c) and of subsection (3)), section 619(2) (with the substitution for ‘in the course of a disposal to which section 617 applies’ of ‘at a time when both were members of the group’) and section 620(2) (with the omission of the words ‘to which this section applies’)” for “sections 617 to 620”,

(b) in paragraph (b)(ii) by the insertion after “section 623” of “(apart from paragraphs (c) and (d) of subsection (2))”.

(2) This section applies in cases in which section 617, 618, 619(2) or 620(2), as the case may be, have effect as amended by this Act.

Amendment of Schedule 18A (restriction on set-off of pre-entry losses) to Principal Act.

40.—(1) Schedule 18A to the Principal Act is amended in paragraph 1—

(a) in subparagraph (3) by the substitution of “at the time immediately before the relevant event occurred in relation to it by a company which is or was” for “by a company at the time immediately before the company became”,

(b) by the insertion after subparagraph (3) of the following:

“(3A) (a) In this paragraph references to the relevant event occurring in relation to a company—

(i) in a case in which—

(I) the company was resident in the State at the time when it became a member of the relevant group, or

(II) the asset was a chargeable asset in relation to the company at that time,

are references to the company becoming a member of that group;

(ii) in any other case, are references to whichever is the first of—

(I) the company becoming resident in the State, or

(II) the asset becoming a chargeable asset in relation to the company.

(b) For the purposes of paragraph (a), an asset is a ‘chargeable asset’ in relation to a company at any time if, were the asset to be disposed of by the company at that time,

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any gain accruing to the company would be a chargeable gain.” Pr.1 S.40

(c) in subparagraph (4)(a) by the substitution of “the relevant event occurred in relation to it” for “the company became a member of the relevant group”, and

(d) in subparagraph (5)—

(i) in the opening words by the substitution of “the relevant event occurred in relation to the company by reference to which that asset is a pre-entry asset” for “the company by reference to which the asset is a pre-entry asset became a member of the relevant group”,

(ii) in clause (a) by the substitution of “a relevant event has occurred in relation to a company” for “a company has become a member of the relevant group”, and

(iii) in clause (b) by the substitution of “a relevant event occurred in relation to a company” for “a company became a member of the relevant group”.

(2) (a) This section applies in relation to—

(i) where chargeable gains are to be included in a company’s total profits, the amount to be included in respect of chargeable gains in the company’s total profits for any accounting period ending on or after 15 February 2001, and

(ii) in any other case, the amount on which a company is chargeable in accordance with section 31 for the year of assessment 2000-2001 and any subsequent year of assessment.

(b) For the purposes of this section, any question whether a company was, in relation to any time before 15 February 2001, a member of a group shall be determined by reference to the Principal Act before its amendment by this Act.

41.—(1) Schedule 24 of the Principal Act is amended—

(a) in paragraph 3 by the substitution for “Credit shall not be allowed” of “Subject to paragraphs 9A, 9B and 9C, credit shall not be allowed”,

(b) in paragraph 4(4)(e) by the insertion after “644B” of “by any fraction”,

(c) in paragraph 9A—

Amendment of Schedule 24 (relief from income tax and corporation tax by means of credit in respect of foreign tax) to Principal Act.

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- (i) in subparagraph (3) by the substitution for “company resident in the State” of “company falling within subparagraph (3A)”,
 - (ii) by the insertion after subparagraph (3) of the following subparagraph:
 - “(3A) (a) A company falls within this subparagraph if—
 - (i) it is resident in the State, or
 - (ii) it is, by virtue of the law of a Member State of the European Communities other than the State, resident for the purposes of tax in such a Member State and the dividend referred to in subparagraph (3) forms part of the profits of a branch or agency of the company in the State.
 - (b) For the purposes of subparagraph (a)(ii), ‘tax’, in relation to a Member State of the European Communities other than the State, means any tax imposed in the Member State which corresponds to corporation tax in the State.”,
- and
- (iii) in subparagraph (4)(b) by the substitution for “company resident in the State” of “company falling within subparagraph (3A)”,
- (d) in paragraph 9B—
- (i) in subparagraph (1) by the substitution for “an Irish company” of “a company falling within subparagraph (1A) (in this paragraph referred to as the ‘relevant company’)”, and by the substitution for “the Irish company” of “the relevant company”,
 - (ii) by the insertion after subparagraph (1) of the following subparagraph:
 - “(1A)(a) A company falls within this subparagraph if—
 - (i) it is resident in the State, or
 - (ii) it is, by virtue of the law of a Member State of the European Communities other than the State, resident for the purposes of tax in such a Member State and the dividend referred to in subparagraph (1) forms part of the profits of a branch or agency of the company in the State.
 - (b) For the purposes of subparagraph (a)(ii), ‘tax’, in relation to a Member State of the European Communities other than the State, means any tax imposed in the

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Member State which corresponds to cor- Pr.1 S.41
poration tax in the State.”,

- (iii) in subparagraphs (2) and (3) by the substitution for “the Irish company” of “the relevant company”,
- (iv) in subparagraph (4) by the substitution for “an Irish company” of “a relevant company”, and
- (v) in subparagraph (5) by the deletion of the definition of “Irish company”,

and

- (e) by the insertion after paragraph 9B, but in Part 2, of the following:

“9C.—(1) In this paragraph—

‘relevant company’ means a company which—

- (a) is not resident in the State,
- (b) is, by virtue of the law of a Member State of the European Communities other than the State, resident for the purposes of tax in such a Member State, and
- (c) carries on a trade in the State through a branch or agency,

and for the purposes of subparagraph (b) of this definition ‘tax’, in relation to a Member State of the European Communities other than the State, means any tax imposed in the Member State which corresponds to corporation tax in the State;

‘relevant tax’ means foreign tax paid in respect of the income or chargeable gains of a branch or agency in the State of a relevant company, other than such tax paid in a territory in which the company is liable to tax by reason of domicile, residence, place of management or other similar criterion.

(2) A relevant company shall, as respects an accounting period, be entitled to such relief under this Schedule in respect of relevant tax as would, if the branch or agency in the State had been a company resident in the State, have been given under any arrangements to that company resident in the State.”.

(2) This section applies as respects accounting periods ending on or after 15 February 2001.

42.—(1) Section 89 of the Principal Act is amended—

- (a) by the substitution in subsection (1) for paragraph (b) of the following:

“(b) For the purposes of this section—

Amendment of section 89 (valuation of trading stock at discontinuance of trade) of Principal Act.

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- (i) ‘trading stock’, in relation to a trade, includes any services, article or material which, if the trade were a profession, would be treated as work in progress of the profession for the purposes of section 90, and references to the sale or transfer of trading stock shall be construed accordingly;
- (ii) two persons are connected with each other if—
 - (I) they are connected with each other within the meaning of section 10;
 - (II) one of them is a partnership and the other has a right to a share in the partnership;
 - (III) one of them is a body corporate and the other has control over that body;
 - (IV) both of them are partnerships and some other person has a right to a share in each of them; or
 - (V) both of them are bodies corporate or one of them is a partnership and the other is a body corporate and, in either case, some other person has control over both of them;

and in this subparagraph the references to a right to a share in a partnership are references to a share of the assets or income of the partnership and control has the meaning given by section 11.”,

(b) by the substitution in subsection (2)(a) for “the price paid for such trading stock on such sale or the value of the consideration given for such trading stock on such transfer, as the case may be” of “the amount determined in accordance with subsections (3) and (4)”, and

(c) by the insertion of the following after subsection (2):

“(3) Subject to subsection (4), paragraph 2(2) of Schedule 16 and paragraph 4(2) of Schedule 17, the value of any trading stock falling to be valued under subsection (2)(a) shall be taken—

- (a) except where the person to whom it is sold or transferred is connected with the person who makes the sale or transfer, to be the amount (in this subsection and subsection (4) referred to as ‘the price actually received for it’) realised on the sale or, as the case may be, which is in fact the value of the consideration given for the transfer, and
- (b) if those persons are connected with each other, to be what would have been the price actually received for it had the sale or transfer been a transaction between independent persons dealing at arm’s length.

(4) If—

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- (a) trading stock is sold or transferred to a person in circumstances where subsection (3)(b) would, apart from this subsection, apply for determining the value of stock so sold or transferred, Pr.1 S.42
- (b) the amount which would be taken in accordance with subsection (3)(b) to be the value of the stock sold or transferred to that person is more than the acquisition value of that stock and also more than the price actually received for it, and
- (c) the person by whom the stock is sold or transferred includes in a return required to be delivered under section 951 for the chargeable period in which the trade is discontinued an election signed by both parties to the sale or transfer that this subsection shall apply,

then the stock so sold or transferred shall be taken to have a value equal to whichever is the greater (taking all the stock so sold or transferred together) of its acquisition value and the price actually received for it or, in a case where they are the same, to either of them.

(5) In subsection (4) ‘acquisition value’, in relation to any trading stock, means the amount which, in computing for any tax purposes the profits or gains of the discontinued trade, would have been deductible as representing the purchase price of that stock if—

- (a) the stock had, immediately before the discontinuance, been sold in the course of the trade for a price equal to whatever would be its value in accordance with subsection (3)(b), and
- (b) the period for which those profits or gains were to be computed began immediately before the sale.

(6) Where any trading stock falls to be valued under subsection (2)(a), the amount determined in accordance with subsections (3) and (4) to be the amount to be brought into account as the value of that stock in computing profits or gains of the discontinued trade shall also be taken, for the purpose of making any deduction in computing the profits or gains of any trade carried on by the purchaser, to be the cost of that stock to the purchaser.”.

(2) This section applies from 6 December 2000.

43.—(1) Chapter 8A (inserted by the Finance Act, 1999) of Part 6 of the Principal Act is amended— Dividend withholding tax.

(a) in section 172A(1)(a)—

- (i) by the insertion of the following definitions after the definition of “approved body of persons” (inserted by the Finance Act, 2000):

“‘approved minimum retirement fund’ has the same meaning as in section 784C;

‘approved retirement fund’ has the same meaning as in section 784A;”,

- (ii) by the insertion of the following definition after the definition of “qualifying employee share ownership trust”:

“‘qualifying fund manager’ has the same meaning as in section 784A;”,

- (iii) by the insertion of the following definition after the definition of “qualifying non-resident person”:

“‘qualifying savings manager’ has the same meaning as in section 848B (inserted by the *Finance Act, 2001*);”,

and

- (iv) by the insertion of the following definition after the definition of “special portfolio investment account”:

“‘special savings incentive account’ has the same meaning as in section 848M (inserted by the *Finance Act, 2001*);”,

- (b) in section 172B, by the insertion of the following after subsection (7) (inserted by the Finance Act, 2000):

“(8) This section shall not apply where a relevant distribution is made by a company resident in the State to another company so resident and the company making the relevant distribution is a 51 per cent subsidiary of that other company.”,

- (c) in section 172C—

- (i) in subsection (2)—

(I) in paragraph (a), by the insertion after “Schedule 2A” of “, but this paragraph is without prejudice to the operation of section 172B(8)”,

- (II) by the insertion of the following after paragraph (b):

“(ba) a qualifying fund manager or a qualifying savings manager who—

- (i) is receiving the relevant distribution as income arising in respect of assets held—

(I) in the case of a qualifying fund manager, in an approved retirement fund or an approved minimum retirement fund, and

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(II) in the case of a qualifying savings manager, in a special savings incentive account, Pr.1 S.43

and

(ii) has made a declaration to the relevant person in relation to the relevant distribution in accordance with paragraph 4A of Schedule 2A,”

and

(III) by the insertion of the following after paragraph (d):

“(da) a person who—

(i) is entitled to exemption from income tax under Schedule F in respect of the relevant distribution by virtue of section 189(2), subsection (2) or (3)(b) of section 189A or section 192(2), and

(ii) has made a declaration to the relevant person in relation to the relevant distribution in accordance with paragraph 6A of Schedule 2A,”

and

(ii) in subsection (3)—

(I) by the deletion of “and” in paragraph (a), and

(II) by the insertion of the following after paragraph (b):

“(c) a qualifying fund manager or a qualifying savings manager who receives a relevant distribution as income arising in respect of assets held—

(i) in the case of a qualifying fund manager, in an approved retirement fund or an approved minimum retirement fund, and

(ii) in the case of a qualifying savings manager, in a special savings incentive account,

and

(d) the trustees of a qualifying trust (within the meaning of section 189A) who receive a relevant distribution as income

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arising in respect of the trust funds
(within the meaning of that section),”

(d) in section 172D, by the deletion of subsection (1), and

(e) in section 172F(3)(a)(ii)(II), by the substitution of “paragraph 9(f)” for “subparagraphs (f) and (g) of paragraph 9”.

(2) Schedule 2A (inserted by the Finance Act, 1999) to the Principal Act is amended—

(a) by the insertion of the following after paragraph 4:

*“Declaration to be made by qualifying fund manager or
qualifying savings manager*

4A. The declaration referred to in section 172C(2)(ba)(ii) shall be a declaration in writing to the relevant person which—

(a) is made by the person (in this paragraph referred to as the ‘declarer’) beneficially entitled to the relevant distribution in respect of which the declaration is made,

(b) is signed by the declarer,

(c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(d) declares that, at the time the declaration is made, the person beneficially entitled to the relevant distribution is a person referred to in section 172C(2)(ba)(i),

(e) contains the name and tax reference number of the person,

(f) contains a statement that, at the time when the declaration is made, the relevant distribution in respect of which the declaration is made will be applied as income of an approved retirement fund, an approved minimum retirement fund or, as the case may be, a special savings incentive account,

(g) contains an undertaking that, if the person mentioned in paragraph (d) ceases to be an excluded person, the declarer will, by notice in writing, advise the relevant person in relation to the relevant distribution accordingly, and

(h) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 8A of Part 6.”

and

(b) by the insertion of the following after paragraph 6:

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“Declaration to be made by persons entitled to exemption from income tax under Schedule F

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6A. The declaration referred to in section 172C(2)(da)(ii) shall be a declaration in writing to the relevant person which—

- (a) is made by the person (in this paragraph referred to as ‘the declarer’) beneficially entitled to the relevant distributions in respect of which the declaration is made,
- (b) is signed by the declarer,
- (c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,
- (d) declares that, at the time when the declaration is made, the person beneficially entitled to the relevant distribution is a person referred to in section 172C(2)(da)(i),
- (e) contains the name and tax reference number of the person,
- (f) contains an undertaking by the declarer that, if the person mentioned in subparagraph (d) ceases to be an excluded person, the declarer will, by notice in writing, advise the relevant person in relation to the relevant distributions accordingly, and
- (g) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 8A of Part 6.”

44.—The Principal Act is amended—

- (a) in section 13 by the substitution for subsection (4) of the following:

Amendment of provisions relating to exploration and exploitation activities.

“(4) Where exploration or exploitation activities are carried on by a person on behalf of the holder of a licence or lease granted under the Petroleum and Other Minerals Development Act, 1960, such holder shall, for the purpose of an assessment to income tax, be deemed to be the agent of that person.”,

- (b) in section 567 by the substitution for subsection (3) of the following:

“(3) Where exploration or exploitation activities are carried on by a person on behalf of the holder of a licence or lease granted under the Petroleum and Other Minerals Development Act, 1960, such holder shall for the purpose of an assessment to capital gains tax be deemed to be the agent of that person.”,

and

- (c) in Schedule 1 by the insertion after paragraph 6 of the following:

“Interpretation

7. In this Schedule a reference to a licence granted under the Petroleum and Other Minerals Development Act, 1960, includes a reference to a lease granted under that Act.”.

Donations to approved bodies, etc.

45.—(1) Part 36 of the Principal Act is amended by the insertion of the following after section 848—

“Donations to approved bodies. 848A.—(1) (a) In this section—

‘appropriate certificate’, in relation to a relevant donation by a donor who is an individual, other than an individual referred to in subsection (7), to an approved body, means a certificate which is in such form as the Revenue Commissioners may prescribe and which contains—

(i) statements to the effect that—

(I) the donation satisfies the requirements of subsection (3), and

(II) the donor has paid or will pay to the Revenue Commissioners income tax of an amount equal to income tax at the standard rate or the higher rate or partly at the standard rate and partly at the higher rate, as the case may be, for the relevant year of assessment on the grossed up amount of the donation, but not being—

(A) income tax which the donor is entitled to charge against any other person or to deduct, retain or satisfy out of any payment which the donor is liable to make to any other person, or

(B) appropriate tax within the meaning of Chapter 4 of Part 8,

- (ii) a statement specifying how much of the grossed up amount referred to in subparagraph (i)(II) has been or will be liable to income tax at the standard rate and the higher rate for the relevant year of assessment, and
- (iii) the identifying number, known as the Personal Public Service Number (PPSN), of the donor;

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‘approved body’ means a body specified in Part 1 of Schedule 26A;

‘relevant accounting period’ in relation to a relevant donation means the accounting period in which the relevant donation is made;

‘relevant donation’ means a donation which satisfies the requirements of subsection (3) and takes the form of the payment by a person (in this section referred to as the ‘donor’) of a sum or sums of money amounting to at least £200 to an approved body which is made—

- (i) where the donor is a company, in an accounting period, and
- (ii) where the donor is an individual, in a year of assessment;

‘relevant year of assessment’, in relation to a relevant donation, means the year of assessment in which the relevant donation is made.

- (b) For the purposes of this section and in relation to a donation by a donor who is an individual (other than an individual referred to in subsection (7)), references to the grossed up amount are to the amount which after deducting income tax at the standard rate or the higher rate or partly at the standard rate and partly at the higher rate, as the case may be, for the relevant year of

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assessment leaves the amount of the donation.

(c) This section shall be construed together with Schedule 26A.

(2) Where it is proved to the satisfaction of the Revenue Commissioners that a person has made a relevant donation the provisions of subsection (4), subsection (7) or subsection (9), as the case may be, shall apply.

(3) A donation will satisfy the requirements of this section if—

(a) it is not subject to a condition as to repayment,

(b) neither the donor nor any person connected with the donor receives a benefit in consequence of making the donation, either directly or indirectly,

(c) it is not conditional on or associated with, or part of an arrangement involving, the acquisition of property by the approved body, otherwise than by way of gift, from the donor or a person connected with the donor,

(d) subject to subsection (4)—

(i) it would not be deductible in computing for the purposes of corporation tax the profits or gains of a trade or profession, and

(ii) it would not be an expense of management deductible in computing the total profits of a company,

(e) in respect of a donation made by an individual, the individual—

(i) is resident in the State for the relevant year of assessment,

(ii) has, except in the case of an individual referred to in subsection (7), given an appropriate certificate in relation to the donation to the approved body, and

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(iii) has, except in the case of an individual referred to in subsection (7), paid the tax referred to in such appropriate certificate and is not entitled to claim a repayment of that tax or any part of that tax. Pr.1 S.45

(4) Where a company makes a relevant donation in any accounting period and claims relief from tax by reference thereto, the amount thereof shall, for the purposes of corporation tax, be treated as—

(a) a deductible trading expense of a trade carried on by the company in, or

(b) an expense of management deductible in computing the total profits of the company for,

that accounting period.

(5) A claim by a company under this section shall be made with the return required to be delivered under section 951 for the accounting period in which the relevant donation is made.

(6) Where a relevant donation is made by a donor in an accounting period of a company or in a year of assessment which is less than 12 months, the amounts specified in the definition of 'relevant donation' shall be proportionately reduced.

(7) Where a relevant donation is made to an approved body in a year of assessment by an individual who is a chargeable person (within the meaning of Part 41) for the year of assessment, the amount of the donation shall be deducted from or set off against any income of the individual chargeable to income tax for that year of assessment and tax shall where necessary be discharged or repaid accordingly, and the total income of the individual or, where the individual's spouse is assessed to income tax in accordance with section 1017, the total income of the spouse shall be calculated accordingly; but any such deduction or set-off shall not be taken into account in determining the net relevant earnings (within the meaning of section 787) of the individual or, as the case may be, the individual's spouse for the year of assessment.

(8) Where a relevant donation is made to an approved body by an individual who is a chargeable person (within the meaning of Part 41) a claim under this section shall be made with the return required to be made by that individual under section 951 for the year of assessment in which the donation is made.

(9) Where a donation is a relevant donation made by a donor who is an individual (other than an individual referred to in subsection (7)) to an approved body, the Tax Acts shall apply in relation to the approved body as if—

(a) the grossed up amount of the donation were an annual payment which was the income of the approved body received by it under deduction of tax, in the amounts and at the rates specified in the statement referred to in paragraph (ii) of the definition of ‘appropriate certificate’ for the relevant year of assessment, and

(b) the provisions of those Acts which apply in relation to a claim to repayment of tax applied in relation to any claim to repayment of such tax by an approved body;

but, if the total amount of the tax referred to in paragraph (ii) of the definition of ‘appropriate certificate’ is not paid, the amount of any repayment which would otherwise be made to an approved body in accordance with this section shall not exceed the amount of tax actually paid by the donor.

(10) The details contained in an appropriate certificate shall be given by the approved body to the Revenue Commissioners in an electronic format approved by the Revenue Commissioners in connection with the making of a claim to repayment of tax to which subsection (9)(b) refers and where it is so given it shall be accompanied by a declaration made by the approved body, on a form prescribed or authorised for that purpose by the Revenue Commissioners, to the effect that the details are correct and complete.

(11) Where the Revenue Commissioners are satisfied that an approved body does not have the facilities to give the details contained in an appropriate

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certificate in the electronic format referred to in subsection (10), such details shall be given in writing in a form prescribed or authorised by the Revenue Commissioners and shall be accompanied by a declaration made by the approved body to the effect that the claim is correct and complete. Pr.1 S.45

(12) Section 764 shall apply as if subsection (1)(b) were deleted and subsection (2) shall be construed accordingly.

(13) Sections 88, 484, 485, 485A, 485B, 486, 486A and 767, subparagraphs (ii) and (iii) of subsection (1)(b), and subsection (3), of section 792 and section 848 are repealed.

(14) Where any body to which Part 2 or Part 3 of Schedule 26A relates has been approved or is the holder of an authorisation, as the case may be, under any enactment and, that approval or authorisation has not been withdrawn on the day prior to the coming into operation of this section, such body shall be deemed to be an approved body for the purposes of this section.”.

(2) Chapter 1 of Part 15 of the Principal Act is amended by the substitution in Part 2 of the Table to section 458 of “section 848A(7)” for “section 485A(4)”.

(3) In respect of a donation made on or after 1 January 2002, “relevant donation” in subsection (1)(a) of section 848A of the Principal Act (inserted by *subsection (1)*) is amended by the substitution of “€250” for “£200”.

(4) The Principal Act is amended by the insertion of the following after Schedule 26:

“*Section 848A.*

SCHEDULE 26A

PART 1

List of approved bodies for the purposes of section 848A

1. A body approved for education in the arts in accordance with Part 2.

2. A body approved as an eligible charity in accordance with Part 3.

3. An institution of higher education within the meaning of section 1 of the Higher Education Authority Act, 1971, or any body established in the State for the sole purpose of raising funds for such an institution.

4. An institution in the State in receipt of public funding which provides courses to which a scheme approved by the Minister for Education and Science under the Local Authorities (Higher Education Grants) Acts, 1968 to 1992, applies or any body

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established in the State for the sole purpose of raising funds for such an institution.

5. An institution of higher education in the State which provides courses which are validated by the Higher Education Training and Awards Council under the provisions of the Qualifications (Education and Training) Act, 1999.

6. An institution or other body in the State which provides primary education up to the end of sixth standard, based on a programme prescribed or approved by the Minister for Education and Science.

7. An institution or other body in the State which provides post-primary education up to the level of either or both the Junior Certificate and the Leaving Certificate based on a programme prescribed or approved by the Minister for Education and Science.

8. STEIF which is the Scientific and Technological Education (Investment) Fund established under the Scientific and Technological Education (Investment) Fund Act, 1997 (as amended by the Scientific and Technological Education (Investment) Fund (Amendment) Act, 1998).

9. The company incorporated under the Companies Acts, 1963 to 1990, on 20 September 1990 as First Step Limited.

10. The Malting Research Committee of the Irish Malsters Association.

11. The European Research Institute of Ireland.

12. The Equine Foundation.

13. The Dun Research Foundation.

14. The Institute of Ophthalmology.

15. The Mater College for Research and Postgraduate Education.

16. St. Luke's Institute of Cancer Research.

17. A body to which section 209 applies which is a body for the promotion of the observance of the Universal Declaration of Human Rights or the implementation of the European Convention for the Protection of Human Rights and Fundamental Freedoms or both the promotion of the observance of that Declaration and the implementation of that Convention.

18. The Foundation for Investing in Communities Limited or any of its 90 per cent subsidiaries as may be approved for the purposes of this Schedule by the Minister for Finance.

PART 2

Approval of a body for education in the arts

1. In this Part—

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‘approved body’ means any body or institution in the State which may be approved of by the Minister for Finance and which— Pr.1 S.45

- (a) provides in the State any course one of the conditions of entry to which is related to the results of the Leaving Certificate Examination, a matriculation examination of a recognised university in the State or an equivalent examination held outside the State, or
- (b) (i) is established on a permanent basis solely for the advancement wholly or mainly in the State of one or more approved subjects,
 - (ii) contributes to the advancement of that subject or those subjects on a national or regional basis, and
 - (iii) is prohibited by its constitution from distributing to its members any of its assets or profits;

‘approved subject’ means—

- (a) the practice of architecture,
 - (b) the practice of art and design,
 - (c) the practice of music and musical composition,
 - (d) the practice of theatre arts,
 - (e) the practice of film arts, or
 - (f) any other subject approved of for the purpose of this Part by the Minister for Finance.
2. (a) The Minister for Finance may, by notice in writing given to the body or institution, as the case may be, withdraw the approval of any body or institution for the purposes of this Part, and on the giving of the notice the body or institution shall cease to be an approved body from the day after the date of the notice referred to in subparagraph (b).
- (b) Where the Minister for Finance withdraws the approval of any body or institution for the purposes of this Part, notice of its withdrawal shall be published as soon as may be in *Iris Oifigiúil*.

PART 3

Approval of body as eligible charity

1. In this Part—

‘authorisation’ shall be construed in accordance with paragraph 3;

‘eligible charity’ means any body in the State that is the holder of an authorisation that is in force.

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2. Subject to paragraph 3, the Revenue Commissioners may, on application to them by a body in the State, and on the furnishing of the body to the Revenue Commissioners of such information as they may reasonably require for the purpose of their functions under this Part, issue to the body a document (in this Part referred to as ‘an authorisation’) stating that the body is an eligible charity for the purposes of this Part.

3. An authorisation shall not be issued to a body unless it shows to the satisfaction of the Revenue Commissioners that—

- (a) it is a body of persons or a trust established for charitable purposes only,
- (b) the income of the body is applied for charitable purposes only,
- (c) before the date of the making of the application concerned under paragraph 2, it has been granted exemption from tax for the purposes of section 207 for a period of not less than 3 years,
- (d) it provides such other information to the Revenue Commissioners as they may require for the purposes of their functions under this Part, and
- (e) it complies with such conditions, if any, as the Minister for Social, Community and Family Affairs may, from time to time, specify for the purposes of this Part.

4. An eligible charity shall publish such information in such manner as the Minister for Finance may reasonably require, including audited accounts of the charity comprising—

- (a) an income and expenditure account or a profit and loss account, as appropriate, for its most recent accounting period, and
- (b) a balance sheet as at the last day of that period.

5. Notwithstanding any obligations as to secrecy or other restriction upon disclosure of information imposed by or under any statute or otherwise, the Revenue Commissioners may make available to any person the name and address of an eligible charity.

6. Subject to paragraph 7, an authorisation shall have effect for such period, not exceeding 5 years, as the Revenue Commissioners may determine and specify therein.

7. Where the Revenue Commissioners are satisfied that an eligible charity has ceased to comply with paragraph 3 or 4, they shall, by notice in writing served by registered post on the charity, withdraw the authorisation of the charity and the withdrawal shall apply and have effect from such date, subsequent to the date of the notice, as is specified therein.”.

Amendment of section 665 (interpretation (Chapter 2)) of Principal Act.

46.—Section 665 of the Principal Act is amended by the deletion of the definition of “person”.

Amendment of section 666 (deduction for increase in stock values) of Principal Act.

47.—(1) Section 666 of the Principal Act is amended by the substitution of the following for subsection (4):

- “(4) (a) A deduction shall not be allowed under this section in computing a company’s trading income for any accounting period which ends on or after the 31 December 2002.

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(b) Any deduction allowed by virtue of this section in computing the profits or gains of the trade of farming for an accounting period of a person other than a company shall not apply for any purpose of the Income Tax Acts for any year of assessment later than the year 2002.”. Pr.1 S.47

(2) This section shall come into operation on such day as the Minister for Finance may by order appoint.

48.—(1) Section 667 of the Principal Act is amended in paragraph (b) of subsection (2) by the substitution of the following for subparagraph (ii): Amendment of section 667 (special provisions for qualifying farmers) of Principal Act.

“(ii) on or after 6 April 1995 and before 31 December 2002, for the year of assessment in which the individual becomes a qualifying farmer and for each of the 3 immediately succeeding years of assessment.”.

(2) This section shall come into operation on such day as the Minister for Finance may by order appoint.

49.—Section 668 of the Principal Act is amended by the substitution of the following for the definition of “stock to which this section applies”: Amendment of section 668 (compulsory disposal of livestock) of Principal Act.

“ ‘stock to which this section applies’ means—

(a) all cattle forming part of the trading stock of the trade of farming, where such cattle are compulsorily disposed of on or after 6 April 1993, under any statute relating to the eradication or control of diseases in livestock, and for the purposes of this section all cattle shall be regarded as compulsorily disposed of where, in the case of any disease eradication scheme relating to the eradication or control of brucellosis in livestock, all eligible cattle for the purposes of any such scheme, together with such other cattle as are required to be disposed of, are disposed of, or

(b) animals and poultry of a kind specified in Parts I and II, respectively, of the First Schedule to the Diseases of Animals Act, 1966, forming part of the trading stock of the trade of farming, where all animals or poultry of the particular kind forming part of that trade of farming are disposed of on or after 6 December 2000, in such circumstances that compensation is paid by the Minister for Agriculture, Food and Rural Development in respect of that disposal.”.

50.—(1) Section 310 of the Principal Act is amended— Amendment of section 310 (allowances in respect of certain contributions to capital expenditure of local authorities) of Principal Act.

(a) by the insertion of the following after the definition of “approved scheme”:

“ ‘local authority’ , means the council of a county or the corporation of a county or other borough or the council of an urban district;” ,

(b) by the substitution of the following for subsection (2)—

“(2) Where a person, for the purposes of a trade carried on or to be carried on by the person, contributes a capital sum to capital expenditure incurred by a local authority on or after 15 February 2001 on the provision of an asset to be used for the purposes of—

- (a) an approved scheme, in so far as the scheme relates to the treatment of trade effluents, or
- (b) the supply of water under an agreement in writing between the person and the local authority,

then, such allowances, if any, shall be made to the person under section 272 or 284 as would have been made to the person if the capital sum contributed in the chargeable period or its basis period had been expenditure on the provision for the purposes of that trade of a similar asset and that asset had continued at all material times to be in use for the purposes of the trade.”,

and

- (c) by the insertion of the following after subsection (2):

“(2A) Where, by virtue of subsection (2), a person is entitled to an allowance under section 284, then, for the purposes of determining the amount of wear and tear allowances to be made for any chargeable period or its basis period for the purposes of this section, section 284 shall apply as if the reference in paragraph (aa) (inserted by the *Finance Act, 2001*) of subsection (2) of that section to ‘20 per cent of the actual cost of the machinery or plant, including in that actual cost any expenditure in the nature of capital expenditure on the machinery or plant by means of renewal, improvement or reinstatement’ were a reference to ‘20 per cent of the capital sum contributed in the chargeable period or its basis period’.”.

(2) This section shall come into operation on such day as the Minister for Finance may by order appoint.

Wear and tear allowances for licences for public hire vehicles.

51.—The Principal Act is amended by the insertion of the following after section 286:

“286A.—(1) In this section—

‘licence’ means a taxi licence or a wheelchair accessible taxi licence granted in respect of a small public service vehicle by a licensing authority in accordance with the Road Traffic (Public Service Vehicles) Regulations, 1963 to 2000, made under section 82 of the Road Traffic Act, 1961, as amended by section 57 of the Road Traffic Act, 1968;

‘qualifying expenditure’ means—

- (a) capital expenditure incurred on the acquisition of a licence on or before 21 November 2000 and for the purposes of this section, where capital expenditure is so incurred it shall be deemed to have been incurred on 21 November 1997 or, if later, on the day on which the trade commenced, or

- (b) where a licence formed part of an inheritance taken by an individual on or before 21 November 2000 and inheritance tax or probate tax was paid in relation to that licence, an amount equal to the open market value of the licence used for the purpose of inheritance tax or probate tax if that amount is greater than the amount of the capital expenditure incurred on the acquisition of the licence and, where this paragraph applies, the first-mentioned amount shall be deemed to have been capital expenditure incurred on the acquisition of a licence on 21 November 1997 or, if later, on the date on which the trade commenced;

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‘qualifying trade’, means a trade carried on by an individual which consists of the carriage of members of the public for reward in a vehicle in respect of which a licence has been granted but excluding any trade or part of a trade which consists of the letting of such a vehicle.

- (2) (a) Where an individual carrying on a qualifying trade proves to have incurred qualifying expenditure, then, for the purposes of this Chapter, other than sections 298 and 299, and for the purposes of Chapter 4 of this Part—
- (i) the licence shall, subject to paragraph (c), be treated as machinery or plant,
 - (ii) such machinery or plant shall be treated as having been provided for the purposes of the trade, and
 - (iii) for so long as the individual is entitled to the licence, that machinery or plant shall be treated as belonging to that individual.
- (b) Where an individual who has incurred qualifying expenditure carries on a qualifying trade and uses a vehicle, being the vehicle to which the machinery or plant referred to in paragraph (a) relates, partly for letting to another person and partly for the purposes of the qualifying trade, the machinery or plant shall be deemed for the purposes of section 284(1) to be used only for the purposes of the qualifying trade.
- (c) Notwithstanding paragraph (a), where an individual who has incurred qualifying expenditure in relation to more than one licence carries on a qualifying trade and lets more than one of the vehicles, which are used for the purposes of the trade, being the vehicles to which the machinery or plant referred to in paragraph (a) relates, to another person or persons for use also by that other person or persons, paragraph (a) shall apply in respect of so much of that machinery or plant as relates to one licence only (in this section referred to as ‘the relevant licence’).

(3) Where an individual who is not, apart from this subsection, entitled to allowances under this Chapter by virtue of this section, becomes the beneficial owner of a licence on the death of his or her spouse, and that spouse—

(a) had incurred qualifying expenditure in respect of the licence, and

(b) had carried on a qualifying trade,

then, for the purposes of this section, if the individual lets the vehicle to which the licence relates, or lets the licence, for use for the purposes of a qualifying trade carried on by another person—

(i) the individual shall be deemed to have incurred the qualifying expenditure in respect of the licence,

(ii) that licence shall be treated as machinery or plant, and

(iii) the letting of that vehicle or of that licence by the individual shall be deemed to be a qualifying trade carried on by the individual which commenced on the date of the first letting of that vehicle,

but this subsection shall apply in relation to an individual as respects one licence only.

(4) In determining what capital allowances are to be made in taxing the trade of an individual to which subsection (2) refers for any year of assessment, section 284(2)(aa) (inserted by the *Finance Act, 2001*) shall apply—

(a) as if the machinery or plant to which subsection (2) refers were machinery or plant to which section 284(2)(aa) applies, and

(b) as if the reference to ‘on or after 1 January 2001’ in section 284(2)(aa) were a reference to ‘on 21 November 1997’.

(5) (a) This subsection shall apply to an individual to whom paragraph (b) or (c) of subsection (2) relates who lets a vehicle to which subsection (2)(b) relates or a vehicle relating to a relevant licence.

(b) Notwithstanding section 381, where relief is claimed under that section in respect of a loss sustained in a qualifying trade, the amount of that loss, in so far as by virtue of section 392 it is referable to an allowance under this section, shall be treated for the purposes of subsections (1) and (3)(b) of section 381 as reducing income only from a letting to which paragraph (a) refers and shall not be treated as reducing any other income.

(6) Subsection (7) of section 953 shall apply to an excess, referred to in that subsection, arising by virtue of an allowance made under this section as if the reference in paragraph (a)(ii) of that subsection to ‘section 438(4)’ were a reference to this section.

(7) This section shall be deemed to have come into operation as on and from 6 April 1997.’’.

[2001.]

Finance Act, 2001.

[No. 7.]

52.—(1) Section 284(3A) of the Principal Act is amended—

Pr.1

Wear and tear allowances for certain sea fishing boats.

- (a) by the substitution in paragraph (a) of “6 years” for “3 years”,
- (b) by the substitution in paragraph (b) of “paragraph (ba) and subsection (4)” for “subsection (4)”,
- (c) by the insertion after paragraph (b) of the following:

“(ba) Notwithstanding subsection (2), but subject to subsection (4), wear and tear allowances to be made to any person in respect of machinery or plant to which this subsection applies, and in respect of which capital expenditure is incurred on or after the date of the coming into operation of *section 52* of the *Finance Act, 2001*, shall be made during a writing-down period of 6 years beginning with the first chargeable period or its basis period at the end of which the machinery or plant belongs to that person and is in use for the purposes of that person’s trade, and shall be of an amount equal to—

- (i) as respects the first year of the writing-down period, 50 per cent of the actual cost of the machinery or plant, including in that actual cost any expenditure in the nature of capital expenditure on that machinery or plant by means of renewal, improvement or reinstatement, and
- (ii) as respects the next 5 years of the writing-down period, 20 per cent of the balance of that actual cost after the deduction of any allowance made by virtue of subparagraph (i).”,

and

- (d) by the insertion in paragraph (c) of “or in subparagraph (i) or (ii), as may be appropriate, of paragraph (ba),” after “paragraph (b),”.

(2) Section 403(5A) of the Principal Act is amended by the substitution in paragraph (b)(ii) of “6 years” for “3 years”.

(3) This section shall come into operation on such day as the Minister for Finance may by order appoint.

53.—Section 284(2) of the Principal Act is amended as respects capital expenditure incurred on or after 1 January 2001—

Wear and tear allowances.

- (a) in paragraph (a), by the insertion before “subsection (4)” of “paragraph (aa) and”,
- (b) by the insertion of the following paragraph after paragraph (a):

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[2001.]

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“(aa) Notwithstanding paragraph (a), where capital expenditure is incurred on or after 1 January 2001 on the provision of—

- (i) machinery or plant, other than machinery or plant to which paragraph (a)(ii) and subsection (3A) relates, or
- (ii) machinery or plant to which paragraph (a)(ii) relates, other than a car within the meaning of section 286 used for qualifying purposes within the meaning of that section,

the amount of the wear and tear allowance to be made shall be an amount equal to 20 per cent of the actual cost of the machinery or plant, including in that actual cost any expenditure in the nature of capital expenditure on the machinery or plant by means of renewal, improvement or reinstatement.”,

and

- (c) in paragraph (b), by the insertion after “subparagraph (i) or (ii) of paragraph (a)” of “or the amount specified in paragraph (aa)”.

Amendment of section 274 (balancing allowances and balancing charges) of Principal Act.

54.—Section 274(3) of the Principal Act is amended by the substitution for “or that consideration.” of the following:

“or that consideration; but this subsection shall not apply in the case of consideration of the type referred to in subsection (1)(a)(iv) which is received on or after 5 March 2001.”.

Amendment of Chapter 4 (interest payment by certain deposit takers) of Part 8 of Principal Act.

55.—Chapter 4 of Part 8 of the Principal Act is amended—

(a) in section 256(1)—

- (i) by the substitution for the definition of “appropriate tax”—

(I) as on and from 6 April 2000, of the following:

“‘appropriate tax’, in relation to a payment of relevant interest, means a sum representing income tax on the amount of the payment—

- (a) in the case of a relevant deposit or relevant deposits held in a special savings account, at the rate of 20 per cent,
- (b) subject to paragraph (c), in the case of any other relevant deposit, at the standard rate in force at the time of payment, and
- (c) in the case of a relevant deposit, being a deposit made on or after 23 March 2000, other than a relevant deposit—

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(i) referred to in paragraph (a), or Pr.1 S.55

(ii) the interest in respect of which is payable annually or at more frequent intervals, or

(iii) which is a specified deposit within the meaning of section 260,

at a rate determined by the formula—

$(S + 3)$ per cent

where S is the standard rate per cent (within the meaning of section 4(1)) in force at the time of payment;”,

and

(II) as on and from 6 April 2001, of the following:

“‘appropriate tax’, in relation to a payment of relevant interest, means a sum representing income tax on the amount of the payment—

(a) in the case of interest paid in respect of a relevant deposit or relevant deposits held in a special savings account, at the rate of 20 per cent,

(b) subject to paragraph (c), in the case of interest paid in respect of any other relevant deposit, at the standard rate in force at the time of payment, and

(c) in the case of interest paid in respect of a relevant deposit, being a deposit made on or after 23 March 2000, other than interest which is—

(i) referred to in paragraph (a), or

(ii) payable annually or at more frequent intervals, or

(iii) specified interest within the meaning of section 260,

at a rate determined by the formula—

$(S + 3)$ per cent

where S is the standard rate per cent (within the meaning of section 4(1)) in force at the time of payment;”,

(ii) by the substitution for the definition of “deposit”, as respects a deposit made on or after 6 April 2001, of the following:

“ ‘deposit’ means a sum of money paid to a relevant deposit taker on terms under which it, or any part of it, may be repaid with or without interest and either on demand or at a time or in circumstances agreed by or on behalf of the person making the payment and the person to whom it is made, notwithstanding that the amount to be repaid may be to any extent linked to or determined by changes in a stock exchange index or any other financial index;”

- (iii) by the substitution for the definition of “interest”, as respects a deposit made on or after 6 April 2001, of the following:

“ ‘interest’ means any interest of money whether yearly or otherwise, including any amount, whether or not described as interest, paid in consideration of the making of a deposit, and, as respects—

- (a) a deposit, where the amount to be repaid may be to any extent linked to or determined by changes in a stock exchange index or any other financial index, includes any amount which is or is to be repaid over and above the amount of the deposit,
- (b) a building society, includes any dividend or other distribution in respect of shares in the society,

but any amount consisting of an excess of the amount received on the redemption of any holding of A.C.C. Bonus Bonds — First Series, issued by ACC Bank plc, over the amount paid for the holding shall not be treated as interest for the purposes of this Chapter,”

and

- (iv) in the definition of “special savings account” by the substitution for “on or after the 1st day of January, 1993” of “on or after 1 January 1993 and before 6 April 2001”,
- (b) in section 258(9)(c), as on and from 6 April 1997, by the substitution for “Subsections 2 and 4” of “Subsections 2 to 4”,
- (c) in section 261(c)(i)(II) by the substitution for “paragraph (b) or the definition” of “paragraph (b) of the definition”, and
- (d) in section 265(2)(e) by the substitution for “true and correct” of “true and correct; but in the case of a company no such certificate shall be required where the declarer includes a written statement, as part of the declaration to the relevant deposit taker, confirming that the company has availed of the exemption under Part III of the Companies (Amendment) (No. 2) Act, 1999”.

[2001.]

Finance Act, 2001.

[No. 7.]

56.—Section 838 of the Principal Act is amended—

Pr.1

Amendment of section 838 (special portfolio investment accounts) of Principal Act.

(a) in subsection (1)—

(i) in the definition of “special portfolio investment account” by the substitution for “on or after the 1st day of February, 1993” of “on or after 1 February 1993 and before 6 April 2001”, and

(ii) by the deletion of the definition of “relevant period”,
and

(b) in subsection (2)—

(i) by the deletion of paragraph (c), and

(ii) in paragraph (g) by the substitution for “on or after the 1st day of February, 1996” of “on or after 1 February 1996 and before 31 December 2000”.

57.—(1) The Principal Act is amended—

Taxation of certain savings in credit unions and other financial institutions.

(a) in Part 8—

(i) in section 256(1)—

(I) by the substitution for paragraph (a) of the definition of “appropriate tax” of the following:

“(a) in the case of interest paid in respect of a relevant deposit or relevant deposits held in—

(i) a special savings account, or

(ii) a special term account,

at the rate of 20 per cent.”,

(II) by the insertion after the definition of “building society” of the following:

“‘credit union’ means a society registered under the Credit Union Act, 1997, including a society deemed to be so registered under section 5(3) of that Act;”,

(III) by the insertion after the definition of “interest” of the following:

“‘long term account’ means an account opened by an individual with a relevant deposit taker on terms under which the individual has agreed that each relevant deposit held in the account is to be held in the account for a period of not less than 5 years;

‘medium term account’ means an account opened by an individual with a relevant

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deposit taker on terms under which the individual has agreed that each relevant deposit held in the account is to be held in the account for a period of not less than 3 years;”,

- (IV) by the insertion in the definition of “relevant deposit taker” after paragraph (c) of the following:

“(ca) a credit union;”,

- (V) by the substitution for the definition of “relevant interest” of the following:

“‘relevant interest’ means, subject to section 261A, interest paid in respect of a relevant deposit;”,

- (VI) by the substitution in paragraph (b) of the definition of “special savings account” of “deposit taker;” for “deposit taker.”, and

- (VII) by the insertion after the definition of “special savings account” of the following:

“‘special term account’ means—

(a) a medium term account, or

(b) a long term account,

being an account in which a relevant deposit or relevant deposits made by an individual is or are held and in respect of which—

(i) the conditions specified in section 264A(1) are satisfied, and

(ii) a declaration of the kind mentioned in section 264A(2) has been made to the relevant deposit taker.”,

- (ii) by the insertion after section 261 of the following:

“Taxation of interest on special term accounts.

261A.—(1) Where interest is paid by a relevant deposit taker in respect of a relevant deposit held in a special term account, such interest shall be relevant interest for the purposes of this Chapter only to the extent provided for in this section.

(2) Interest paid in a year of assessment in respect of a relevant deposit held in a medium term account shall be relevant interest only to the extent that such interest exceeds £278.

(3) Interest paid in a year of assessment in respect of a relevant deposit

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held in a long term account shall be relevant interest only to the extent that such interest exceeds £370. Pr.1 S.57

(4) Where an individual opens a medium term account, the individual may subsequently make an election in writing to the relevant deposit taker to have the account converted to a long term account.

(5) Where an election is made in accordance with subsection (4), interest paid in a year of assessment which commences on or after the date the election is made shall be relevant interest only to the extent that such interest exceeds £370.

(6) Subject to subsection (8), section 261 shall apply in relation to any relevant interest paid in respect of a relevant deposit held in a special term account, as if the following paragraph were substituted for paragraph (c) of that section:

‘(c) the amount of any payment of relevant interest paid in respect of any relevant deposit held in a special term account shall not, except for the purposes of a claim to repayment under section 267(3) in respect of the appropriate tax deducted from such relevant interest, be reckoned in computing total income for the purposes of the Income Tax Acts;’.

(7) An account shall cease to be a special term account if any of the conditions specified in section 264A(1) cease to be satisfied, and where that occurs—

(a) all interest paid on or after the occurrence in respect of relevant deposits held in the account shall be relevant interest,

(b) all interest (in this paragraph referred to as ‘past interest’) paid prior to the occurrence, in respect of relevant deposits held in the account, shall be treated by the relevant deposit taker as relevant

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interest to the extent that such interest has not already been treated as relevant interest, and—

(i) the provisions of section 257(1) shall apply as if the payment of past interest was being made on the date of the occurrence, and

(ii) where on that date the past interest has already been withdrawn from the account—

(I) the relevant deposit taker shall deduct from the relevant deposits held in the account on that date, an amount equal to the amount of the appropriate tax which would have been deducted from the past interest under subparagraph (i), but for the withdrawal, and such amount shall be treated as appropriate tax, and

(II) the provisions of paragraphs (b) and (c) of section 257(1) shall apply to such deduction as they apply to a deduction from relevant interest.

(8) Subsection (6) shall not apply to any interest in respect of any relevant deposit held in the account which is paid, or by virtue of subsection (7) treated as paid, on or after the date on which the account ceases to be a special term account.”,

(iii) in section 261A (as inserted by subparagraph (ii)), as respects the year of assessment 2002 and subsequent years of assessment, by the substitution—

(I) in subsection (2) of “€480” for “£278”, and

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(II) in subsections (3) and (5) of “€635” for “£370”, Pr.1 S.57

(iv) by the insertion after section 264 of the following:

“Conditions and
declarations
relating to
special term
accounts.

264A.—(1) The following are the conditions referred to in subparagraph (i) of the definition of ‘special term account’ in section 256(1):

(a) the account shall be opened and designated by the relevant deposit taker as a medium term account or, as the case may be, a long term account;

(b) the account shall not be denominated in a foreign currency;

(c) the account shall not be connected with any other account held by the account holder or any other person; and for this purpose an account shall be connected with another account if—

(i) (I) either account was opened with reference to the other account, or with a view to enabling the other account to be opened on particular terms, or with a view to facilitating the opening of the other account on particular terms, and

(II) the terms on which either account was opened would have been significantly less favourable to the account holder if the other account had not been opened,

or

(ii) the terms on which either account is operated are altered or affected in any way whatever because of

the existence of the other account;

- (d) all relevant deposits held in the account shall be subject to the same terms;
- (e) there shall not be any agreement, arrangement or understanding in existence, whether express or implied, which influences or determines, or could influence or determine, the rate (other than an unspecified and variable rate) of interest which is paid or payable, in respect of the relevant deposit or relevant deposits held in the account, in or in respect of any period which is more than 12 months;
- (f) interest paid or payable in respect of the relevant deposit or relevant deposits held in the account shall not directly or indirectly be linked to or determined by any change in the price or value of any shares, stocks, debentures or securities listed on a stock exchange or dealt in on an unlisted securities market;
- (g) the account shall not be opened by or held in the name of an individual who is under 16 years of age;
- (h) the account shall be opened by and held in the name of the individual beneficially entitled to the relevant interest payable in respect of the relevant deposit or relevant deposits held in the account;
- (i) the account may be held jointly by not more than 2 individuals;
- (j) subject to paragraph (k), an individual shall not simultaneously hold, whether solely or jointly, another special term account;

- (k) where the account is held jointly by individuals who are married to each other they may simultaneously hold one other such account jointly; Pr.1 S.57
- (l) subject to paragraphs (m) and (n), the amount of a deposit or the aggregate amount of deposits which may be made to an account in any one month shall not exceed £500;
- (m) at the time an individual opens an account with a relevant deposit taker, a deposit consisting of all or part of the relevant deposits of the individual which are at that time held by the same relevant deposit taker, may be transferred to the account;
- (n) otherwise than by way of a transfer under paragraph (m), a deposit of not more than £6,000 may be made by an individual once and only once to an account during the period in which the account is a special term account;
- (o) any interest credited to the account by the relevant deposit taker shall not be treated as a deposit for the purposes of paragraph (l) or (p), but such interest may not be withdrawn from the account, otherwise than in accordance with paragraph (q), unless the withdrawal is made within the period of 12 months from the date it was so credited;
- (p) subject to paragraph (q), a deposit may not be withdrawn from an account held by an individual within—
- (i) 3 years from the date the deposit was made, in the case of a medium term account, and

(ii) 5 years from the date the deposit was made, in the case of a long term account,

otherwise than on the death of the individual or, where the account is an account held jointly by 2 individuals, on the death of one of them;

(q) one and only one withdrawal may be made from an account by an individual who is 60 years of age or over on the date of the withdrawal, provided that the account was opened when the individual was under that age.

(2) The declaration referred to in subparagraph (ii) of the definition of 'special term account' in section 256(1) shall be a declaration in writing to a relevant deposit taker which—

(a) is made by the individual (in this subsection referred to as 'the declarer') who holds the account in respect of which the declaration is made is payable,

(b) is signed by the declarer,

(c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

(d) declares that at the time when the declaration is made the conditions referred to in paragraphs (g), (h), (j) and (k) of subsection (1) are satisfied in relation to the account in respect of which the declaration is made,

(e) contains the full name and address of the declarer,

(f) contains an undertaking by the declarer that, if the conditions referred to in paragraphs (g), (h), (j) and (k) of subsection (1) cease to be satisfied in respect of the account in respect of which the declaration is

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made, the declarer will Pr.1 S.57
notify the relevant deposit
taker accordingly, and

(g) contains such other information as the Revenue Commissioners may reasonably require for the purposes of this Chapter.

(3) Section 263(2) shall apply as respects declarations of the kind mentioned in this section as it applies as respects declarations of the kind mentioned in that section.

Returns of
special term
accounts by
relevant
deposit takers.

264B.—(1) In this section ‘appropriate inspector’ means—

(a) the inspector who has last given notice in writing to the relevant deposit taker that he or she is the inspector to whom the relevant deposit taker is required to deliver the return referred to in subsection (2), or

(b) where there is no such inspector as is referred to in paragraph (a), the inspector of returns specified in section 950.

(2) On or before 31 March in each year of assessment, every relevant deposit taker shall prepare and deliver to the appropriate inspector a return, in such form as may be prescribed or authorised by the Revenue Commissioners specifying—

(a) the name and address of the holder or holders, as the case may be, of each special term account which was opened during the previous year of assessment,

(b) whether such account is a medium term account or a long term account, and

(c) the date of opening of such account.

(3) Sections 1052 and 1054 shall apply to a failure by a relevant deposit taker to deliver a return required by subsection (2) and to each and every such failure, as they apply to a failure to deliver a return referred to in section 1052.”,

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- (v) in section 264A(1) (inserted by subparagraph (iv)), as respects the year of assessment 2002 and subsequent years of assessment, by the substitution—
 - (I) in paragraph (l) of “€635” for “£500”, and
 - (II) in paragraph (n) of “€7,620” for “£6,000”,
- (vi) by the insertion after Chapter 4 of the following:

“CHAPTER 5

Dividend Payments by Credit Unions

Interpretation
(Chapter 5).

267A.—(1) In this Chapter—

‘appropriate tax’ has the same meaning as in section 256(1);

‘dividend’ means a dividend on shares declared by a credit union at an annual general meeting of that credit union;

‘long term share account’ means an account opened by a member (being an individual) with a credit union on terms under which the member has agreed that each share subscribed for by the member to be held in the account is to be held in the account for a period of not less than 5 years;

‘medium term share account’ means an account opened by a member (being an individual) with a credit union on terms under which the member has agreed that each share subscribed for by the member to be held in the account is to be held in the account for a period of not less than 3 years;

‘relevant deposit’ has the same meaning as in section 256(1);

‘relevant deposit taker’ has the same meaning as in section 256(1);

‘relevant interest’ has the same meaning as in section 256(1);

‘savings’ includes shares and deposits;

‘share’ has the same meaning as in section 2(1) of the Credit Union Act, 1997;

‘special share account’ means an account in which shares subscribed for by a member are held by a credit union on terms under which the member has agreed with the credit union

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that for the purposes of Chapter 4 of Pr.1 S.57
this Part—

- (a) the value of the shares held in the account at any time is to be treated as an amount of a relevant deposit held by the credit union at that time, and
- (b) the value of any dividend paid on those shares at any time is to be treated as an amount of relevant interest paid in respect of such relevant deposit by the credit union at that time;

‘special term share account’ means—

- (a) a medium term share account, or
- (b) a long term share account,

being an account in which shares subscribed for by a member are held by a credit union and in respect of which—

- (i) the conditions specified in section 267D(1) are satisfied, and
- (ii) a declaration of the kind mentioned in section 267D(2) has been made to the credit union.

Election to open a special share account or a special term share account.

267B.—(1) A person, who is a member or is about to become a member of a credit union, may either or both—

- (a) make an election in writing to the credit union to open an account which is a special share account, and
- (b) where the person is an individual, make an election in writing to the credit union to open either a medium term share account or a long term share account.

(2) Where an election is made in accordance with subsection (1)(a), the credit union shall designate the account as a special share account and shall treat—

- (a) the value of the shares held in the account at any time, as

an amount of a relevant deposit held by it at that time, and

(b) the value of any dividend paid on those shares at any time, as an amount of relevant interest paid at that time in respect of such relevant deposit and the provisions of Chapter 4 of this Part shall apply to such relevant interest treated as paid by a credit union as they apply to relevant interest paid by a relevant deposit taker, and the appropriate tax in respect of such relevant interest shall be at a rate of 20 per cent.

(3) Where an election is made in accordance with subsection (1)(b), the credit union shall treat—

(a) the value of the shares held in the account at any time, as an amount of a relevant deposit held by it at that time, and

(b) subject to section 267C, the value of any dividend paid on those shares at any time, as an amount of relevant interest paid at that time in respect of such relevant deposit and the provisions of Chapter 4 of this Part shall apply to such relevant interest treated as paid by the credit union as they apply to relevant interest paid by a relevant deposit taker, and the appropriate tax in respect of such relevant interest shall be at a rate of 20 per cent.

Taxation of dividends on special term share accounts.

267C.—(1) The value of the dividend paid in a year of assessment on shares held in a medium term share account, shall be treated as an amount of relevant interest paid in that year of assessment, only to the extent that such value exceeds £278.

(2) The value of the dividend paid in a year of assessment on shares held in a long term share account, shall be treated as an amount of relevant

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interest paid in that year of assess- Pr.1 S.57
ment, only to the extent that such
value exceeds £370.

(3) Where an account is opened by a member as a medium term share account, the member may subsequently make an election in writing to the credit union to have the account converted to a long term share account.

(4) Where an election is made in accordance with subsection (3), the value of the dividend paid on shares in a year of assessment which commences on or after the date the election is made shall be treated as an amount of relevant interest paid for that year of assessment, only to the extent that such value exceeds £370.

(5) An account shall cease to be a special term share account if any of the conditions specified in subsection (1) of section 267D cease to be satisfied, and where that occurs—

(a) the account shall be treated as a special share account from the time of the occurrence, and

(b) the value of all dividends (in this paragraph referred to as 'past dividends') paid prior to the occurrence, on shares held in the account, shall be treated by the credit union as an amount of relevant interest to the extent that the value of such dividends has not already been treated as an amount of relevant interest, and—

(i) the provisions of section 257(1) shall apply as if the payment of past dividends was being made on the date of the occurrence, and

(ii) where on that date the past dividends have already been withdrawn from the account—

(I) the credit union shall deduct from

the value of the shares in the account on that date, an amount equal to the amount of the appropriate tax which would have been deducted from the past dividends under subparagraph (i), but for the withdrawal, and such amount shall be treated as appropriate tax, and

(II) the provisions of paragraphs (b) and (c) of section 257(1) shall apply to such deduction as they apply to a deduction from relevant interest.

Conditions and declarations relating to special term share accounts.

267D.—(1) The following are the conditions referred to in subparagraph (i) of the definition of 'special term share account' in section 267A(1):

- (a) the account shall be opened and designated by the credit union as a medium term share account or, as the case may be, a long term share account;
- (b) the account shall not be denominated in a foreign currency;
- (c) the account shall not be connected with any other share account or deposit account held by the member or any other person; and for this purpose an account shall be connected with another account if—
 - (i) (I) either account was opened with reference to the other account, or with a view to enabling the other account to be opened on particular terms, or with a view to facilitating the

opening of the other account on particular terms, and

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(II) the terms on which either account was opened would have been significantly less favourable to the member if the other account had not been opened,

or

(ii) the terms on which either account is operated are altered or affected in any way whatever because of the existence of the other account;

(d) all shares held in the account shall be subject to the same terms;

(e) there shall not be any agreement, arrangement or understanding in existence, whether express or implied, which influences or determines, or could influence or determine, the rate (other than an unspecified and variable rate) of dividend which is paid or payable, in respect of the share or shares held in the account, in or in respect of any period which is more than 12 months;

(f) dividends paid or payable in respect of the share or shares held in the account shall not directly or indirectly be linked to or determined by any change in the price or value of any shares, stocks, debentures or securities listed on a stock exchange or dealt in on an unlisted securities market;

(g) the account shall not be opened by or held in the

name of a member who is under 16 years of age;

- (h) the account shall be opened by and held in the name of the member beneficially entitled to the dividend payable in respect of the share or shares held in the account;
- (i) an account may be held jointly by not more than 2 individual members;
- (j) subject to paragraph (k), a member shall not simultaneously hold, whether solely or jointly, another special term share account;
- (k) where the account is held jointly by individuals who are married to each other they may simultaneously hold one other such account jointly;
- (l) subject to paragraphs (m) and (n) the amount of a subscription or aggregate amount of subscriptions for shares which may be added to an account in any one month shall not exceed £500;
- (m) at the time a member opens an account with a credit union, a single subscription for shares consisting of all or part of the savings of the member which are already held by the same credit union, may be transferred to the account;
- (n) otherwise than by way of a transfer under paragraph (m), shares at a cost of not more than £6,000 may be added by a member once and only once to an account during the period in which the account is a special term share account;
- (o) any disbursement of the surplus funds of a credit union, in the form of dividends or rebate of loan interest, which is added to the account shall not be

treated as a subscription Pr.1 S.57
for shares for the purposes
of paragraph (l) or (p), but
such dividend or rebate of
loan interest may not be
withdrawn from the
account, otherwise than in
accordance with paragraph
(q), unless the withdrawal
is made within the period
of 12 months from the date
it was so added;

(p) subject to paragraph (q), a
share may not be with-
drawn from an account
held by a member within—

(i) 3 years from the date
the share was sub-
scribed for, in the case
of a medium term
share account, and

(ii) 5 years from the date
the share was sub-
scribed for, in the case
of a long term share
account,

otherwise than on the
death of the member or,
where the account is an
account held jointly by 2
members, on the death of
one of them;

(q) one and only one withdrawal
may be made from an
account by a member who
is 60 years of age or over
on the date of the with-
drawal, provided that the
account was opened when
the member was under
that age;

(r) a transfer of shares from an
account by a credit union
to reduce a balance out-
standing on a loan from
the credit union to a mem-
ber shall not be treated as
a withdrawal from the
account for the purposes of
paragraph (p) where—

(i) such shares were
pledged as security for
the loan at the time
the loan was granted,

- (ii) a default (whether of interest or otherwise) in the terms of the repayment of the loan of not less than 6 months has occurred, and
- (iii) the credit union has followed its standard procedures in seeking to recover the loan.

(2) The declaration referred to in subparagraph (ii) of the definition of 'special term share account' in section 267A(1) shall be a declaration in writing to the credit union which—

- (a) is made by the member (in this subsection referred to as 'the declarer') who holds the account in respect of which the declaration is made is payable,
- (b) is signed by the declarer,
- (c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,
- (d) declares that at the time when the declaration is made the conditions referred to in paragraphs (g), (h), (j) and (k) of subsection (1) are satisfied in relation to the account in respect of which the declaration is made,
- (e) contains the full name and address of the declarer,
- (f) contains an undertaking by the declarer that, if the conditions referred to in paragraphs (g), (h), (j) and (k) of subsection (1) cease to be satisfied in respect of the account in respect of which the declaration is made, the declarer will notify the credit union accordingly, and
- (g) contains such other information as the Revenue Commissioners may reasonably require for the purposes of this Chapter.

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(3) Section 263(2) shall apply as respects declarations of the kind mentioned in this section as it applies as respects declarations of the kind mentioned in that section.

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Returns of special term share accounts by credit unions.

267E.—(1) In this section ‘appropriate inspector’ means—

- (a) the inspector who has last given notice in writing to the credit union that he or she is the inspector to whom the credit union is required to deliver the return required under subsection (2), or
- (b) where there is no such inspector as is referred to in paragraph (a), the inspector of returns specified in section 950.

(2) On or before 31 March in each year of assessment, every credit union shall prepare and deliver to the appropriate inspector a return, in such form as may be prescribed or authorised by the Revenue Commissioners specifying—

- (a) the name and address of the holder or holders, as the case may be, of each special term share account which was opened during the previous year of assessment,
- (b) whether the account is a medium term share account or a long term share account, and
- (c) the date of opening of such account.

(3) Sections 1052 and 1054 shall apply to a failure by a credit union to deliver a return required by subsection (2) and to each and every such failure, as they apply to a failure to deliver a return referred to in section 1052.

Supplementary provisions (Chapter 5).

267F.—(1) The provisions of section 904A shall apply to a credit union, treated under this Chapter as paying relevant interest, as they apply to a relevant deposit taker paying relevant interest.

(2) In applying Chapter 4 of this Part for the purposes of this Chapter, section 258(4) shall not apply.

(3) Section 261 shall apply in relation to any dividend paid on shares held in a special share account or a special term share account which under section 267B is treated in whole or in part as relevant interest paid in respect of a relevant deposit, as if the following paragraph were substituted for paragraph (c) of that section:

‘(c) the amount of any payment of relevant interest paid in respect of a relevant deposit shall not, except for the purposes of a claim to repayment under section 267(3) in respect of the appropriate tax deducted from such relevant interest, be reckoned in computing total income for the purposes of the Income Tax Acts;.’,

(vii) in section 267C (inserted by *subparagraph (vi)*), as respects the year of assessment 2002 and subsequent years of assessment, by the substitution—

(I) in subsection (1) of “€480” for “£278”, and

(II) in subsections (2) and (4) of “€635” for “£370”,

and

(viii) in section 267D(1) (inserted by *subparagraph (vi)*), as respects the year of assessment 2002 and subsequent years of assessment, by the substitution—

(I) in paragraph (l) of “€635” for “£500”, and

(II) in paragraph (n) of “€7,620” for “£6,000”,

(b) in section 700(1) by the insertion after “Notwithstanding anything in the Tax Acts,” of “other than Chapter 5 of Part 8,” and

(c) in Schedule 29 by the insertion—

(i) in column 2 after “section 258(2)” of:

“section 264B
section 267E”,

and

(ii) in column 3 of “section 267B” after “section 257(1)”.

(2) This section shall come into operation on such day or days as the Minister for Finance may by order or orders appoint either generally or with reference to any particular purpose or provision and

different days may be so appointed for different purposes or different provisions. Pr.1 S.57

58.—Chapter 9 (inserted by the Finance Act, 1999) of Part 10 of the Principal Act is amended—

Amendment of Chapter 9 (park and ride facilities and certain related developments) of Part 10 of Principal Act.

(a) in section 372V—

(i) by the substitution in subsection (1)(a) of “subsections (2) to (4A)” for “subsections (2) to (4)”,

(ii) in subsection (4)—

(I) by the insertion in paragraph (a) after “was first used” of “or, where subsection (4A) applies, first used as a qualifying park and ride facility,” and

(II) by the substitution in paragraph (b) of “qualifying park and ride facility” for “park and ride facility”,

and

(iii) by the insertion of the following after subsection (4):

“(4A) Notwithstanding subsections (1), (3)(a) and (4), where it is shown in respect of a building or structure which is to be a qualifying park and ride facility that the relevant local authority is unable to give the certificate in writing referred to in the definition of ‘qualifying park and ride facility’ in section 372U(1) due to a delay in the provision of a train service to serve the building or structure, then, in relation to capital expenditure incurred in the qualifying period on the construction or refurbishment of that building or structure—

(a) section 271 shall apply—

(i) as if in the definition of ‘appropriate chargeable period’ in subsection (1) of that section ‘the chargeable period in which the building or structure becomes an industrial building or structure’ were substituted for ‘the chargeable period related to the expenditure’, and

(ii) as if in subsection (6) of that section ‘if, within 5 years of the building or structure coming to be used, it is not an industrial building or structure’ were substituted for ‘if the building or structure, when it comes to be used, is not an industrial building or structure’,

(b) section 272 shall apply as if in subsection (4)(a)(ii) of that section ‘beginning with the time when the building or structure was first used as an industrial building or

structure' were substituted for 'beginning with the time when the building or structure was first used',

(c) section 274 shall apply—

(i) as if in subsection (1)(b)(i)(II) of that section 'after the building or structure was first used as an industrial building or structure' were substituted for 'after the building or structure was first used', and

(ii) as if in subsection (5)(a) of that section 'when the building or structure was first used as an industrial building or structure' were substituted for 'when the building or structure was first used for any purpose',

(d) section 277 shall apply—

(i) as if in subsection (2) of that section 'when the building or structure is first used as an industrial building or structure' were substituted for 'when the building or structure is first used', and

(ii) as if in subsection (4)(a) of that section 'when the building or structure was first used as an industrial building or structure' were substituted for 'when the building or structure was first used for any purpose',

(e) section 278 shall apply as if in subsection (2) of that section 'before the building or structure is first used as an industrial building or structure' were substituted for 'before the building or structure is first used for any purpose', and

(f) section 279 shall apply as if in subsections (2) and (3) of that section 'before the building or structure is used as an industrial building or structure or within the period of one year after it commences to be so used' were substituted for 'before the building or structure is used or within the period of one year after it commences to be used' (in each place where it occurs in those subsections).",

and

(b) in section 372W—

(i) in subsection (1)—

(I) by the deletion in paragraph (a) of "and" where it last occurs, and

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(II) by the substitution of the following for paragraph Pr.1 S.58 (c):

“(c) (i) is in use for the purposes of the retailing of goods or the provision of services only within the State but excluding any building or structure in use—

(I) as offices, or

(II) for the provision of mail order or financial services,

or

(ii) is let on bona fide commercial terms for such use as is referred to in subparagraph (i) and for such consideration as might be expected to be paid in a letting of the building or structure negotiated on an arm’s length basis,”

(ii) in subsection (2)(a), by the substitution of “subsections (3) to (5A)” for “subsections (3) to (5)”,

(iii) in subsection (5)(a), by the insertion after “was first used” of “or, where subsection (5A) applies, first used as a qualifying premises”, and

(iv) by the insertion of the following after subsection (5):

“(5A) Notwithstanding subsections (2)(a), (4)(a) and (5), where it is shown in respect of a building or structure which is to be a qualifying premises that the relevant local authority is unable to give the certificate in writing referred to in subsection (1)(a) relating to compliance with certain requirements at a park and ride facility which would be a qualifying park and ride facility but for the delay referred to in section 372V(4A), then, in relation to capital expenditure incurred in the qualifying period on the construction or refurbishment of the building or structure—

(a) section 271 shall apply—

(i) as if in the definition of ‘appropriate chargeable period’ in subsection (1) of that section ‘the chargeable period in which the building or structure becomes an industrial building or structure’ were substituted for ‘the chargeable period related to the expenditure’, and

(ii) as if in subsection (6) of that section ‘if, within 5 years of the building or structure coming to be used, it is not an industrial building or structure’ were substituted for ‘if the building or structure, when it comes to be

used, is not an industrial building or structure’,

- (b) section 272 shall apply as if in subsection (4)(a)(ii) of that section ‘beginning with the time when the building or structure was first used as an industrial building or structure’ were substituted for ‘beginning with the time when the building or structure was first used’,
- (c) section 274 shall apply—
- (i) as if in subsection (1)(b)(i)(II) of that section ‘after the building or structure was first used as an industrial building or structure’ were substituted for ‘after the building or structure was first used’, and
- (ii) as if in subsection (5)(a) of that section ‘when the building or structure was first used as an industrial building or structure’ were substituted for ‘when the building or structure was first used for any purpose’,
- (d) section 277 shall apply—
- (i) as if in subsection (2) of that section ‘when the building or structure is first used as an industrial building or structure’ were substituted for ‘when the building or structure is first used’, and
- (ii) as if in subsection (4)(a) of that section ‘when the building or structure was first used as an industrial building or structure’ were substituted for ‘when the building or structure was first used for any purpose’,
- (e) section 278 shall apply as if in subsection (2) of that section ‘before the building or structure is first used as an industrial building or structure’ were substituted for ‘before the building or structure is first used for any purpose’, and
- (f) section 279 shall apply as if in subsections (2) and (3) of that section ‘before the building or structure is used as an industrial building or structure or within the period of one year after it commences to be so used’ were substituted for ‘before the building or structure is used or within the period of one year after it commences to be used’ (in each place where it occurs in those subsections).”.

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59.—(1) Part 10 of the Principal Act is amended—

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Amendment of Part 10 (income tax and corporation tax: reliefs for renewal and improvement of certain urban areas, certain resort areas and certain islands) of Principal Act.

(a) in section 344(1), in paragraph (c) of the definition of “qualifying period” by the substitution of “31 December 2001” for “31 December 2000”, and “30 September 2001” for “30 September 2000”, and

(b) in Chapter 8—

(i) in section 372M(3)(b), by the substitution of “paragraph (b)” for “paragraph (i)”,

(ii) in section 372P(1), by the substitution in paragraph (c) of the definition of “qualifying premises” of “175 square metres” for “140 square metres”,

(iii) in section 372Q(1), by the substitution in paragraph (b) of the definition of “qualifying premises” of “175 square metres” for “150 square metres”,

(iv) in section 372R(1), by the substitution in paragraph (b) of the definition of “qualifying premises” of “175 square metres” for “150 square metres”, and

(v) in section 372T(1), by the insertion after paragraph (a) of the following:

“(aa) in respect of expenditure incurred on or after 6 April 2001 on the construction or refurbishment of a building or structure or a qualifying premises where any part of such expenditure has been or is to be met, directly or indirectly, by grant assistance from the State or from any other person,”.

(2) (a) *Subsection (1)(a)* shall be deemed to have applied as on and from 6 April 2000, and

(b) *subparagraphs (ii), (iii) and (iv) of subsection (1)(b)* shall apply as respects expenditure incurred on or after 6 December 2000, being expenditure which is—

(i) expenditure on the construction of a qualifying premises as defined in section 372P,

(ii) conversion expenditure within the meaning of section 372Q, or

(iii) relevant expenditure within the meaning of section 372R,

as the case may be.

60.—Chapter 7 of Part 10 of the Principal Act is amended—

Living over the shop scheme.

(a) in section 372A—

(i) in subsection (1)—

(I) by the insertion before the definition of “lease” of the following:

“existing building” means a building or structure which—

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(a) fronts on to a qualifying street, and

(b) existed on 13 September 2000;

(II) by the insertion after the definition of “multi-storey car park” of the following:

“‘necessary construction’, in relation to an existing building, means one or more of the following:

(a) construction of an extension to the building which does not exceed 30 per cent of the floor area of the building immediately before expenditure on the construction, conversion or refurbishment of the building was incurred, where such extension is necessary for the purposes of facilitating access to, or providing essential facilities in, one or more qualifying premises within the meaning of section 372F or 372I,

(b) construction of an additional storey or additional storeys to the building which was or were, as the case may be, necessary for the restoration or enhancement of the streetscape, or

(c) construction of a replacement building;”,

(III) by the substitution of the following for the definition of “qualifying period”:

“‘qualifying period’ means—

(a) subject to section 372B and in relation to a qualifying area, the period commencing on 1 August 1998 and ending on 31 December 2002, and

(b) subject to 372BA and in relation to a qualifying street, the period commencing on 6 April 2001 and ending on 31 December 2004;”,

(IV) by the insertion before the definition of “refurbishment” of the following:

“‘qualifying street’ means a street specified as a qualifying street under section 372BA;”,

(V) by the substitution in the definition of “refurbishment” of “the building or structure;” for “the building or structure.”, and

(VI) by the insertion after the definition of “refurbishment” of the following:

“‘replacement building’, in relation to a building or structure which fronts on to a qualifying

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street, means a building or structure or part of a building or structure, as the case may be, which is constructed to replace an existing building, where—

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(a) (i) a notice under subsection (1) of section 3 or an order under subsection (5) of that section, of the Local Government (Sanitary Services) Act, 1964, which required the demolition of the existing building or part of that building, was given or made, as the case may be, on or after 13 September 2000 and before 31 March 2001, and

(ii) the replacement building is consistent with the character and size of the existing building,

or

(b) the demolition of the existing building (being a single storey building) was required for structural reasons, in order to facilitate the construction of an additional storey or additional storeys to the building which was or were, as the case may be, necessary for the restoration or enhancement of the streetscape;

‘relevant local authority’ in relation to a street means, in respect of the county boroughs of Cork, Dublin, Galway, Limerick or Waterford, the corporation of the borough in whose functional area the street is situated;

‘street’ includes part of a street and the whole or part of any road, square, quay or lane.”,

and

(ii) in subsection (2) by the insertion after “This Chapter shall apply” of “in relation to qualifying areas”,

(b) in section 372B(4) by the insertion after “of this Chapter” of “in respect of the construction, refurbishment or conversion of a building, structure or house, the site of which is wholly within a qualifying area.”,

(c) by the insertion of the following after section 372B:

“Qualifying streets.

372BA.—(1) The Minister for Finance may, on the recommendation of the Minister for the Environment and Local Government (which recommendation shall take into consideration proposals submitted by a relevant local authority to that Minister in respect of a street identified by it), by order direct that—

(a) a street described (being a street situated in the functional area of the relevant

local authority) in the order shall be a qualifying street for the purposes of one or more sections of this Chapter,

(b) where such a street is to be a qualifying street for the purposes of section 372D, the categories of building or structure mentioned in subsection (2) shall not be a qualifying premises within the meaning of that section, and

(c) as respects any such street so described in the order, the definition of ‘qualifying period’ in section 372A shall be construed as a reference to such period as shall be specified in the order in relation to that street; but no such period specified in the order shall commence before 6 April 2001 or end after 31 December 2004.

(2) The categories of building or structure referred to in subsection (1)(b) shall be buildings or structures—

(a) other than those in use for the purposes of the retailing of goods or the provision of services only within the State,

(b) in use as offices, and

(c) in use for the provision of mail order or financial services.

(3) Every order made by the Minister for Finance under subsection (1) shall be laid before Dáil Éireann as soon as may be after it is made and, if a resolution annulling the order is passed by Dáil Éireann within the next 21 days on which Dáil Éireann has sat after the order is laid before it, the order shall be annulled accordingly, but without prejudice to the validity of anything previously done thereunder.

(4) Notwithstanding an order under subsection (1), no relief from income tax or corporation tax, as the case may be, may be granted in respect of the construction, refurbishment or conversion of a building, structure or house which fronts on to a qualifying street unless the relevant local authority has certified in writing that such construction, refurbishment or conversion is consistent with the aims, objectives and criteria for the Living over the Shop Scheme, as outlined in a circular of the Department of the Environment and Local Government entitled ‘Living Over The Shop Scheme’, reference numbered UR 43A and dated 13 September 2000, or in any further circular of that Department amending paragraph 6 of the first-mentioned circular for the purposes of

increasing the aggregate length of street allowable, to the manager of the relevant local authority concerned.”, Pr.1 S.60

(d) in section 372D—

(i) by the insertion in subsection (1), of “, or which fronts on to a qualifying street,” after “qualifying area”, and

(ii) by the insertion of the following after subsection (3):

“(3A) (a) In the case of a qualifying premises which fronts on to a designated street, subsection (2) shall apply in relation to capital expenditure incurred in the qualifying period on the construction or refurbishment of the qualifying premises, only if—

(i) the qualifying premises are comprised in the ground floor of—

(I) an existing building, or

(II) a replacement building,

and

(ii) apart from the capital expenditure incurred in the qualifying period on the construction or refurbishment of the qualifying premises, expenditure is incurred on the upper floor or floors of the existing building or the replacement building, as the case may be, which is—

(I) expenditure on the construction (being necessary construction) of a qualifying premises as defined in section 372F,

(II) conversion expenditure within the meaning of section 372G,

(III) relevant expenditure within the meaning of section 372H, or

(IV) qualifying expenditure within the meaning of section 372I (being qualifying expenditure on necessary construction, or on refurbishment within the meaning of that section),

and in respect of which a deduction has been given, or would on due claim being made be given, under section 372F, 372G, 372H or 372I, as the case may be.

(b) Notwithstanding paragraph (a), subsection (2) shall not apply in relation to so much (if any) of the capital expenditure incurred in the qualifying period on the construction or refurbishment of the qualifying premises as exceeds the amount of the deduction, or the aggregate amount of the deductions, which has been given, or which would on due claim being made be given, under section 372F, 372G, 372H or 372I, as the case may be, in respect of the expenditure on construction (being necessary construction), conversion expenditure, the relevant expenditure or, as the case may be, the qualifying expenditure (being qualifying expenditure on necessary construction, or on refurbishment).”,

(e) in section 372F—

- (i) in subsection (1), in the definition of “qualifying premises” by the insertion in paragraph (a) of “, or which fronts on to a qualifying street” after “qualifying area”, and
- (ii) in subsection (2), by the insertion after “a qualifying premises” of “the site of which is wholly within a qualifying area, or on the necessary construction of a qualifying premises which fronts on to a qualifying street”,

(f) in section 372G(1) by the insertion in paragraphs (a)(i) and (b)(i) of the definition of “conversion expenditure” of “, or which fronts on to a qualifying street” after “qualifying area” in each case,

(g) in section 372H(1) by the insertion in paragraph (a) of the definition of “specified building” of “, or which fronts on to a qualifying street” after “qualifying area”,

(h) in section 372I—

- (i) in subsection (1)—
 - (I) in the definition of “qualifying expenditure” by the substitution for “local authority;” of the following:

“local authority; but in the case of a qualifying premises which fronts on to a qualifying street or which is comprised in a building or part of a building which fronts on to a qualifying street, this definition shall apply as if the reference to ‘construction’ were a reference to ‘necessary construction’.”,

and
 - (II) in the definition of “qualifying premises” by the insertion in paragraph (a) of “, or which fronts on to a qualifying street or which is comprised in a building or part of a building which fronts on to a qualifying street” after “qualifying area”,

and

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- (ii) in subsection (2)(a), by the substitution of the following for subparagraph (i):

“(i) in the case where the qualifying expenditure has been incurred—

(I) on the construction of a qualifying premises the site of which is wholly within a qualifying area, 5 per cent of the amount of that expenditure, and

(II) on the necessary construction of a qualifying premises which fronts on to a qualifying street or which is comprised in a building or part of a building which fronts on to a qualifying street, 10 per cent of the amount of that expenditure.”,

- (i) in section 372J by the insertion after subsection (5) of the following:

“(5A) A house which fronts on to a qualifying street or which is comprised in a building or part of a building which fronts on to a qualifying street shall not be a qualifying premises for the purposes of section 372F, 372G, 372H or 372I unless—

(a) the house is comprised in the upper floor or floors of an existing building or a replacement building, and

(b) the ground floor of such building is in use for commercial purposes, or, where it is temporarily vacant, it is subsequently so used.”,

and

- (j) in section 372K(1), by the insertion after paragraph (a) of the following:

“(aa) in respect of expenditure incurred on or after 6 April 2001 on the construction or refurbishment of a building or structure or a qualifying premises the site of which is wholly within a qualifying area where any part of such expenditure has been or is to be met, directly or indirectly, by grant assistance from the State or from any other person.”,

61.—(1) Part 11 of the Principal Act is amended—

- (a) in section 373(2)—

(i) in paragraph (l), by the substitution of “mechanically propelled vehicle;” for “mechanically propelled vehicle.”,

- (ii) subject to *subparagraph (iii)*, by the insertion of the following after paragraph (l):

Amendment of Part 11 (capital allowances and expenses for certain road vehicles) of Principal Act.

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“(m) £17,000, where the expenditure was incurred—

(i) in an accounting period ending on or after 1 January 2001, or

(ii) in a basis period for the year of assessment 2000-2001 or for a subsequent year of assessment, where that basis period ends on or after 1 January 2001.”,

and

(iii) as respects the year of assessment 2002 and subsequent years of assessment by the substitution in paragraph (m) of “€21,585.55” for “£17,000” (as inserted by *subparagraph (ii)*),

(b) in subsection (1) of section 376—

(i) by the insertion before the definition of “qualifying expenditure” of the following:

“‘basis period’ has, subject to any necessary modification, the meaning assigned to it in section 306;”,

(ii) in the definition of “relevant amount”—

(I) by the substitution in paragraph (e) of “£16,500,” for “£16,500;”, and

(II) subject to clause (III), by the insertion of the following after paragraph (e):

“(f) £17,000, in relation to qualifying expenditure incurred—

(i) in an accounting period ending on or after 1 January 2001, or

(ii) in a basis period for the year of assessment 2000-2001 or for a subsequent year of assessment, where that basis period ends on or after 1 January 2001;”,

and

(III) as respects the year of assessment 2002 and subsequent years of assessment by the substitution in paragraph (f) of “€21,585.55” for “£17,000” (as inserted by clause (II)),

and

(c) in subsection (2) of section 376, by the substitution of the following for that subsection:

“(2) Where for any year of assessment or accounting period a deduction is claimed by any person in respect of qualifying expenditure and that expenditure is incurred in respect of a vehicle the relevant cost of which exceeds

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the relevant amount, the amount of the deduction to be allowed in respect of that qualifying expenditure shall be reduced by an amount which bears to the amount of the qualifying expenditure the same proportion as the excess of the relevant cost of the vehicle over the relevant amount bears to the relevant cost of the vehicle.”.

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(2) *Subsection (1)(c)* shall apply in relation to qualifying expenditure incurred—

(a) in an accounting period ending on or after 1 January 2001, or

(b) in a basis period for the year of assessment 2000-2001 or for a subsequent year of assessment, where that basis period ends on or after 1 January 2001.

62.—(1) Chapter 4 of Part 12 of the Principal Act is amended—

Amendment of provisions relating to treatment of certain losses and certain capital allowances.

(a) in section 405—

(i) in subsection (1)—

(I) by the substitution of “Subject to subsections (2) and (3)” for “Subject to subsection (2)”, and

(II) by the substitution of the following for paragraph (a):

“(a) sections 305(1)(b), 308(4) and 420(2) shall not apply as respects that allowance, and”.

and

(ii) by the insertion after subsection (2) of the following:

“(3) This section shall not apply to a building or structure which is in use as a holiday cottage and comprised in premises first registered on or after 6 April 2001 in a register of approved holiday cottages established by Bord Fáilte Éireann under Part III of the Tourist Traffic Act, 1939, where, prior to such premises becoming so registered—

(a) the building or structure was a qualifying premises within the meaning of section 353, by virtue of being in use for the purposes of the operation of a tourist accommodation facility specified in a list published under section 9 of the Tourist Traffic Act, 1957, and

(b) the provisions of section 355(4) did not apply to expenditure incurred on the acquisition, construction or refurbishment of that building or structure, by virtue of the provisions of section 355(5).”.

(b) by the substitution of the following for section 406:

“Restriction on use of capital allowances on fixtures and fittings for furnished residential accommodation.

406.—Where a person incurs capital expenditure of the type to which subsection (7) of section 284 applies and an allowance is to be made in respect of that expenditure under that section, sections 305(1)(b), 308(4) and 420(2) shall not apply as respects that allowance.”,

and

(c) in section 409A—

(i) in subsection (2)—

(I) subject to clause (II), as respects an allowance to be made for the year of assessment 2001 and subsequent years of assessment, by the substitution of the following for that subsection:

“(2) Subject to subsection (5), in relation to any allowance to be made to an individual under Chapter 1 of Part 9 for any year of assessment in respect of capital expenditure incurred on or after 3 December 1997, on a specified building, section 305 shall apply as if the following were substituted for subsection (1)(b) of that section:

(b) (i) Notwithstanding paragraph (a), where an allowance referred to in that paragraph is available primarily against income of the specified class and the amount of the allowance is greater than the amount of the person’s income of that class for the first-mentioned year of assessment (after deducting or setting off any allowances for earlier years), then the person may, by notice in writing given to the inspector not later than 2 years after the end of the year of assessment, elect that the excess or £18,500, whichever is the lower, shall be deducted from or set off—

(I) against the individual’s other income for that year of assessment, or

(II) where the individual, or, being a husband or wife, the individual’s spouse, is assessed to tax in accordance with section 1017, firstly, against the individual’s other income for that year of assessment and,

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subsequently, against the income of the individual's husband or wife, as the case may be, for that year of assessment. Pr.1 S.62

(ii) Where an election is made in accordance with subparagraph (i), the excess or £18,500, whichever is the lower, shall be deducted from or set off against the income referred to in clause (I) or (II) of that subparagraph, as the case may be, and tax shall be discharged or repaid accordingly and only the balance, if any, of the amount of the allowance referred to in paragraph (a) over all the income referred to in the said clause (I) or (II), as the case may be, for that year of assessment shall be deducted from or set off against the person's income of the specified class for succeeding years.'",

(II) as respects an allowance to be made for the year of assessment 2002 and subsequent years of assessment, by the substitution of "€31,750" for "£18,500" (as inserted by clause (I)) in each place where it occurs,

and

(ii) in subsection (3):

(I) as respects an allowance to be made for the year of assessment 2001, by the substitution of "£18,500" for "£25,000", and

(II) as respects an allowance to be made for the year of assessment 2002 and subsequent years of assessment, by the substitution of "€31,750" for "£18,500" (as inserted by clause (I)).

(2) Paragraphs (e) and (f) of section 40 of the Finance Act, 2000, are repealed.

63.—The Principal Act is amended by the insertion after Part 11A of the following: Relief for certain rented accommodation.

“PART 11B

Income Tax and Corporation Tax: Deduction for Expenditure on Refurbishment of Certain Residential Accommodation

Interpretation (Part 11B).

380G.—In this Part—

‘house’ includes any building or part of a building used or suitable for use as a dwelling and any outoffice, yard, garden or other land appurtenant to or usually enjoyed with that building or part of a building;

'lease', 'lessee', 'lessor', 'premium' and 'rent' have the same meanings, respectively, as in Chapter 8 of Part 4;

'market value', in relation to a house, means the price which the unencumbered fee simple of the house would fetch if sold in the open market in such manner and subject to such conditions as might reasonably be calculated to obtain for the vendor the best price for the house, less the part of that price which would be attributable to the acquisition of, or of rights in or over, the land on which the house is constructed;

'qualifying period' means the period commencing on 6 April 2001;

'refurbishment', in relation to a house, means any work of construction, reconstruction, repair or renewal, including the provision or improvement of water, sewerage or heating facilities, carried out in the course of the repair or restoration, or maintenance in the nature of repair or restoration, of the house or for the purposes of compliance with the requirements of the Housing (Standards for Rented Houses) Regulations, 1993 (S.I. No. 147 of 1993).

Rented
residential
accommodation:
deduction for
certain
expenditure
on
refurbishment.

380H.—(1) In this section and section 380I—

'non-residential unit' has the same meaning that it has in the definition of 'relevant expenditure';

'qualifying lease', in relation to a house, means, subject to section 380I(2), a lease of the house the consideration for the grant of which consists—

(a) solely of periodic payments all of which are or are to be treated as rent for the purposes of Chapter 8 of Part 4, or

(b) of payments of the kind mentioned in paragraph (a), together with a payment by means of a premium—

(i) which is payable on or subsequent to the date of the completion of the refurbishment to which the relevant expenditure relates or which, if payable before that date, is so payable by reason of or otherwise in connection with the carrying out of the refurbishment, and

(ii) which does not exceed 10 per cent of the market value of the house on the date of completion of the refurbishment to which the relevant expenditure relates and, in the case of a house which is a part of a building and is not saleable apart from the building of which

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it is a part, the market value of the house on that date shall for the purposes of this subparagraph be taken to be an amount which bears to the market value of the building on that date the same proportion as the total floor area of the house bears to the total floor area of the building;

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‘qualifying premises’ means, subject to subsection (3), to paragraph (a) and (b) of subsection (4) and to subsection (5) of section 380I, a house—

- (a) which is used solely as a dwelling,
- (b) which on the date of completion of the refurbishment to which the relevant expenditure relates is let (or, if not let on that date, is, without having been used after that date, first let) in its entirety under a qualifying lease and thereafter throughout the remainder of the relevant period (except for reasonable periods of temporary disuse between the ending of one qualifying lease and the commencement of another such lease) continues to be let under such a lease,

but excluding any house on which expenditure has been incurred, where that expenditure has qualified or would on due claim being made qualify for relief under any provision of Parts 10 or 11A;

‘relevant expenditure’ means, subject to section 380I(7), expenditure incurred on the refurbishment of a specified building, other than expenditure attributable to any part (in this section referred to as a ‘non-residential unit’) of the building which on completion of the refurbishment is not a house, and for the purposes of this definition where expenditure is attributable to the specified building in general (and not directly to any particular house or non-residential unit comprised in the building on completion of the refurbishment), such an amount of that expenditure shall be deemed to be attributable to a non-residential unit as bears to the whole of that expenditure the same proportion as the total floor area of the non-residential unit bears to the total floor area of the building;

‘relevant period’, in relation to a qualifying premises, means the period of 10 years beginning on the date of the completion of the refurbishment to which the relevant expenditure relates or, if the premises was not let under a qualifying lease on that date, the period of 10 years beginning on the date of the first such letting after the date of such completion;

‘specified building’ means a building or part of a building—

- (a) in which before the refurbishment to which the relevant expenditure relates there is one or more than one house, and
- (b) which on completion of that refurbishment contains (whether in addition to any non-residential unit or not) one or more than one house.

(2) Subject to subsection (3), where a person, having made a claim in that behalf, proves to have incurred relevant expenditure in relation to a house which is a qualifying premises—

- (a) such person shall, subject to paragraph (b), be entitled, in computing for the purposes of section 97(1) the amount of a surplus or deficiency in respect of the rent from the qualifying premises, to a deduction of so much (if any) of the expenditure as is to be treated under section 380I(6) or under this section as having been incurred by such person in the qualifying period,
- (b) the deduction to which paragraph (a) refers shall be given for the chargeable period in which the expenditure is incurred or, if the premises was not let under a qualifying lease during that chargeable period, the chargeable period beginning on the date of the first such letting after the expenditure is incurred, and for any of the subsequent chargeable periods in which the qualifying premises in respect of which the person incurred the relevant expenditure continues to be a qualifying premises and the deduction shall be of an amount equal to 15 per cent of the expenditure to which paragraph (a) refers; but, the total amount to be deducted shall not exceed 100 per cent of that expenditure,
- (c) where a chargeable period consists of a period less than one year in length, the amount of the deduction to which paragraph (b) refers shall not exceed such portion of the amount specified in that paragraph as bears to that amount the same proportion as the length of the chargeable period bears to a period of one year, and
- (d) Chapter 8 of Part 4 shall apply as if the deduction referred to in paragraph (a) were a deduction authorised by section 97(2).

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(3) (a) This subsection shall apply to any pre- Pr.1 S.63
mium or other sum which—

(i) is payable, directly or indirectly, under a qualifying lease or otherwise under the terms subject to which the lease is granted, to or for the benefit of the lessor or to or for the benefit of any person connected with the lessor, and

(ii) is payable on or subsequent to the date of completion of the refurbishment to which the relevant expenditure relates or, if payable before that date, is so payable by reason of or otherwise in connection with the carrying out of the refurbishment.

(b) Where any premium or other sum to which this subsection applies, or any part of such premium or such other sum, is not or is not treated as rent for the purposes of section 97, the relevant expenditure to be treated as having been incurred in the qualifying period in relation to the qualifying premises to which the qualifying lease relates shall be deemed for the purposes of subsection (2) to be reduced by the lesser of—

(i) the amount of such premium or such other sum or, as the case may be, that part of such premium or such other sum, and

(ii) the amount which bears to the amount mentioned in subparagraph (i) the same proportion as the amount of the relevant expenditure actually incurred in relation to the qualifying premises, which is to be treated under section 380I(6) as having been incurred in the qualifying period bears to the whole of the relevant expenditure incurred in relation to the qualifying premises.

(4) Where a qualifying premises forms a part of a building or is one of a number of buildings in a single development, or forms a part of a building which is itself one of a number of buildings in a single development, there shall be made such apportionment as is necessary of the relevant expenditure incurred on that building or those buildings for the purposes of determining the relevant expenditure incurred in relation to the qualifying premises.

(5) Where a house is a qualifying premises and at any time during the relevant period in relation to the premises either of the following events occurs—

- (a) the house ceases to be a qualifying premises, or
- (b) the ownership of the lessor's interest in the house passes to any other person but the house does not cease to be a qualifying premises,

then, the person who before the occurrence of the event received or was entitled to receive a deduction under subsection (2) in respect of relevant expenditure incurred in relation to the qualifying premises shall be deemed to have received on the day before the day of the occurrence of the event an amount as rent from the qualifying premises equal to the amount of the deduction.

(6) Where the event mentioned in subsection (5)(b) occurs in the relevant period in relation to a house which is a qualifying premises, the person to whom the ownership of the lessor's interest in the house passes shall be treated for the purposes of this section as having incurred in the qualifying period an amount of relevant expenditure in relation to the house equal to the amount of the relevant expenditure which under section 380I(6) or under this section (apart from subsection (3)(b)) the lessor was treated as having incurred in the qualifying period in relation to the house; but, in the case of a person who purchases such a house, the amount so treated as having been incurred by such person shall not exceed—

- (a) the net price paid by such person on the purchase, or
- (b) in case only a part of the relevant expenditure incurred in relation to the house is to be treated under section 380I(6) as having been incurred in the qualifying period, the amount which bears to that net price the same proportion as that part bears to the whole of the relevant expenditure incurred in relation to the house.

(7) Where relevant expenditure is incurred in relation to a house and before the house is used subsequent to the incurring of that expenditure it is sold, the person who purchases the house shall be treated for the purposes of this section as having incurred in the qualifying period relevant expenditure in relation to the house equal to the lesser of—

- (a) the amount of such expenditure which is to be treated under section 380I(6) as

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having been incurred in the qualifying period, and Pr.1 S.63

(b) (i) the net price paid by such person on the purchase, or

(ii) in case only a part of the relevant expenditure incurred in relation to the house is to be treated under section 380I(6) as having been incurred in the qualifying period, the amount which bears to that net price the same proportion as that part bears to the whole of the relevant expenditure incurred in relation to the house;

but, where the house is sold more than once before it is used subsequent to the incurring of the relevant expenditure in relation to the house, this subsection shall apply only in relation to the last of those sales.

(8) This section shall not apply in the case of any refurbishment unless planning permission, in so far as it is required, in respect of the work carried out in the course of the refurbishment has been granted under the Local Government (Planning and Development) Acts, 1963 to 1999, or the Planning and Development Act, 2000.

(9) Expenditure in respect of which a person is entitled to relief under this section shall not include any expenditure in respect of which any person is entitled to a deduction, relief or allowance under any other provision of the Tax Acts.

(10) Section 380I shall apply for the purposes of supplementing this section.

Provisions
supplementary
to section
380H.

380I.—(1) A lease shall not be a qualifying lease for the purposes of section 380H if the terms of the lease contain any provision enabling the lessee or any other person, directly or indirectly, at any time to acquire any interest in the house to which the lease relates for a consideration less than that which might be expected to be given at that time for the acquisition of the interest if the negotiations for that acquisition were conducted in the open market at arm's length.

(2) A house shall not be a qualifying premises for the purposes of section 380H if—

(a) (i) it is occupied as a dwelling by any person connected with the person entitled, in relation to the expenditure incurred on the refurbishment of the house, to a deduction under section 380H(2), and

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- (ii) the terms of the qualifying lease in relation to the house are not such as might have been expected to be included in the lease if the negotiations for the lease had been at arm's length,

or

- (b) the lessor has not complied with all the requirements of the following Regulations—
 - (i) the Housing (Standards for Rented Houses) Regulations, 1993 (S.I. No. 147 of 1993),
 - (ii) the Housing (Rent Books) Regulations, 1993 (S.I. No. 146 of 1993), and
 - (iii) the Housing (Registration of Rented Houses) Regulations, 1996 (S.I. No. 30 of 1996), as amended by the Housing (Registration of Rented Houses) (Amendment) Regulations, 2000 (S.I. No. 12 of 2000).
- (3) (a) A house shall not be a qualifying premises for the purposes of section 380H unless it complies with such conditions, if any, as may be determined by the Minister for the Environment and Local Government from time to time for the purposes of section 5 of the Housing (Miscellaneous Provisions) Act, 1979, in relation to standards for improvements of houses and the provision of water, sewerage and other services in houses.
- (b) A house shall not be a qualifying premises for the purposes of section 380H unless the house or, in a case where the house is one of a number of houses in a single development, the development of which it is a part complies with such guidelines as may from time to time be issued by the Minister for the Environment and Local Government, with the consent of the Minister for Finance, in relation to the refurbishment of houses as qualifying premises for the purposes of section 380H and, without prejudice to the generality of the foregoing, such guidelines may include provisions in relation to the refurbishment of houses, and the provision of ancillary facilities and amenities in relation to houses.
- (4) A house shall not be a qualifying premises for the purposes of section 380H unless persons

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authorised in writing by the Minister for the Environment and Local Government for the purposes of that section are permitted to inspect the house at all reasonable times on production, if so requested by a person affected, of their authorisations.

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(5) For the purposes of determining, in relation to any claim under section 380H(2), whether and to what extent expenditure incurred on the refurbishment of a qualifying premises is incurred or not incurred during the qualifying period, only such an amount of that expenditure as is properly attributable to work on the refurbishment of the premises actually carried out during the qualifying period shall be treated as having been incurred.

(6) For the purposes of section 380H, other than the purposes mentioned in subsection (5), relevant expenditure incurred in relation to the refurbishment of a qualifying premises shall be deemed to have been incurred on the date of the commencement of the relevant period, in relation to the premises, determined as respects the refurbishment to which the relevant expenditure relates.

(7) For the purposes of section 380H, expenditure shall not be regarded as incurred by a person in so far as it has been or is to be met, directly or indirectly, by the State, by any board established by statute or by any public or local authority.

(8) Section 555 shall apply as if a deduction under section 380H(2) were a capital allowance and as if any rent deemed to have been received by a person under section 380H(5) were a balancing charge.

(9) An appeal to the Appeal Commissioners shall lie on any question arising under this section or under section 380H (other than a question on which an appeal lies under section 18 of the Housing (Miscellaneous Provisions) Act, 1979) in the like manner as an appeal would lie against an assessment to income tax or corporation tax, and the provisions of the Tax Acts relating to appeals shall apply accordingly.

Provision against double relief.

380J.—Where relief is given by virtue of any provision of this Part in relation to expenditure incurred on any premises, relief shall not be given in respect of that expenditure under any other provision of the Tax Acts.”

64.—(1) Part 9 of the Principal Act is amended—

Capital allowances for certain hospitals.

(a) in section 268—

(i) in subsection (1)—

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- (I) in paragraph (*h*), by the deletion of “or,” where it last occurs,
- (II) in paragraph (*i*), by the substitution of “that Act, or” for “that Act.”, and
- (III) by the insertion after paragraph (*i*) of the following:
 - “(j) for the purposes of a trade which consists of the operation or management of a qualifying hospital,”
- (ii) by the insertion after subsection (2) of the following:
 - “(2A) In this section—
 - ‘health board’ means—
 - (a) a health board established under the Health Act, 1970,
 - (b) the Eastern Regional Health Authority,
 - (c) an Area Health Board established under the Health (Eastern Regional Health Authority) Act, 1999, or
 - (d) the Health Board Executive;
 - ‘qualifying hospital’ means a hospital (within the meaning of the Tobacco (Health Promotion and Protection) Regulations, 1995 (S.I. No. 359 of 1995)) which—
 - (a) is a private hospital (within the meaning of the Health Insurance Act, 1994 (Minimum Benefits) Regulations, 1996 (S.I. No. 83 of 1996)),
 - (b) is operated or managed by a body of persons, or trust, established for charitable purposes only and which, by virtue of section 208, is entitled to exemption from income tax or corporation tax in respect of the profits or gains derived from the operation or management of the hospital,
 - (c) has the capacity to provide and normally provides medical and surgical services to persons every day of the year,
 - (d) has the capacity to provide out-patient services and accommodation on an overnight basis of not less than 100 in-patient beds,
 - (e) contains an operating theatre or theatres and related on-site diagnostic and therapeutic facilities,
 - (f) contains facilities to provide not less than 5 of the following services:

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- (i) accident and emergency,
 - (ii) cardiology and vascular,
 - (iii) eye, ear, nose and throat,
 - (iv) gastroenterology,
 - (v) geriatrics,
 - (vi) haematology,
 - (vii) maternity,
 - (viii) medical,
 - (ix) neurology,
 - (x) oncology,
 - (xi) orthopaedic,
 - (xii) respiratory,
 - (xiii) rheumatology, and
 - (xiv) paediatric,
- (g) undertakes to the health board in whose functional area it is situated—
- (i) to make available annually, for the treatment of persons who have been awaiting in-patient or out-patient hospital services as public patients, not less than 20 per cent of its capacity, subject to service requirements to be specified by the health board in advance and to the proviso that nothing in this subparagraph shall require the health board to take up all or any part of the capacity made available to the health board by the hospital, and
 - (ii) in relation to the fees to be charged in respect of the treatment afforded to any such person, that such fees shall not be more than 90 per cent of the fees which would be charged in respect of similar treatment afforded to a person who has private medical insurance,
- and
- (h) in respect of which that health board, in consultation with the Minister for Health and Children and with the consent of the Minister for Finance, gives a certificate in writing stating that it is satisfied that the hospital complies with the conditions

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mentioned in paragraphs (a), (c), (d), (e), (f) and (g),

but does not include any part of the hospital which consists of consultants' rooms or offices.”,

and

(iii) in subsection (9)—

(I) in paragraph (e), by the deletion of “and” where it last occurs,

(II) in paragraph (f), by the substitution of “1998, and” for “1998.”, and

(III) by the insertion after paragraph (f) of the following:

“(g) by reference to paragraph (j), as respects capital expenditure incurred on or after the date of the coming into operation of section 64 of the *Finance Act, 2001.*”,

(b) in section 272—

(i) in subsection (3)—

(I) in paragraph (f), by the deletion of “and”,

(II) in paragraph (g), by the substitution of “subsection (2)(c), and” for “subsection (2)(c).”, and

(III) by the insertion after paragraph (g) of the following:

“(h) in relation to a building or structure which is to be regarded as an industrial building or structure within the meaning of section 268(1)(j), 15 per cent of the expenditure referred to in subsection (2)(c).”,

and

(ii) in subsection (4)—

(I) in paragraph (f), by the deletion of “and”,

(II) in paragraph (g)(ii)(II), by the substitution of “1998,” for “1998.”, and

(III) by the insertion after paragraph (g) of the following:

“and

(h) in relation to a building or structure which is to be regarded as an industrial building or structure within the meaning of section 268(1)(j), 7 years beginning with the time when the building or structure was first used.”,

and

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(c) in section 274(1)(b)—

- (i) in subparagraph (v)(II), by the deletion of “and”,
- (ii) in subparagraph (vi)(II)(B), by the substitution of “1998,” for “1998.”, and
- (iii) by the insertion after subparagraph (vi) of the following:

“and

- (vii) in relation to a building or structure which is to be regarded as an industrial building or structure within the meaning of section 268(1)(j), 10 years beginning with the time when the building or structure was first used.”.

(2) This section shall come into operation on such day as the Minister for Finance may by order appoint.

65.—(1) Section 420 of the Principal Act is amended by the substitution for subsection (1) of the following:

Amendment of section 420 (losses, etc. which may be surrendered by means of group relief) of Principal Act.

“(1) Where in any accounting period the surrendering company has incurred a loss, computed as for the purposes of section 396(2), in carrying on a trade in respect of which the company is within the charge to corporation tax, the amount of the loss may be set off for the purposes of corporation tax against the total profits of the claimant company for its corresponding accounting period; but this subsection shall not apply—

- (a) to so much of a loss as is excluded from section 396(2) by section 396(4) or 663, or
- (b) so as to reduce the profits of a claimant company which carries on life business (within the meaning of section 706) by an amount greater than the amount of such profits (before a set off under this subsection) computed in accordance with Case I of Schedule D and section 710(1).”.

(2) This section shall be deemed to have applied as respects accounting periods commencing on or after 1 January 1999.

66.—(1) Section 594 of the Principal Act is amended—

Amendment of section 594 (foreign life assurance and deferred annuities: taxation and returns) of Principal Act.

(a) in subsection (1)—

- (i) by the deletion in paragraph (c)(ii) of “, on or after the 20th day of May, 1993”,
- (ii) by the insertion after paragraph (c)(ii) of the following subparagraphs:

“(iii) Subsection (2) shall apply as if section 573(2)(b) had not been enacted.

(iv) For the purposes of subsection (2)—

(I) there shall be a disposal of or of an interest in the rights of a policy of assurance, where benefits are payable under the policy, and

(II) where at any time, a policy of assurance, or an interest therein, gives rise to benefits in respect of death or disability, either on or before maturity of the policy, the amount or value of such benefits which shall be taken into account for the purposes of determining the amount of a gain under that subsection shall be the excess of the value of the policy or, as the case may be, the interest therein, immediately before that time, over the value of the policy or, as the case may be, the interest therein, immediately after that time.

(v) For the purposes of subparagraph (iv), the value of a policy or of an interest therein at any time means—

(I) in the case of a policy which has a surrender value, the surrender value of the policy or, as the case may be, of the interest therein, at that time, and,

(II) in the case of a policy which does not have a surrender value, the market value of the rights or other benefits conferred by the policy or, as the case may be, the interest therein, at that time.”,

and

(iii) by the insertion after paragraph (f) of the following:

“(g) Where a policy was issued or a contract made before 20 May 1993, only so much of the gain on disposal as accrued on or after 20 March 2001 shall be a chargeable gain.”,

(b) by the deletion of subsection (3), and

(c) in subsection (4) by the substitution for paragraph (a) of the following:

“(a) in this subsection, ‘reinsurance contract’ means any contract or other agreement for reinsurance or reinsurance in respect of—

(i) any policy of assurance on the life of any person, or

(ii) any class of such policies,

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not being new basis business within the meaning of section 730A.”. Pr.1 S.66

(2) (a) In this section “chargeable period” has the same meaning as in section 321(2).

(b) This section—

(i) as respects paragraph (a), shall apply as on and from 20 March 2001,

(ii) as respects paragraph (b), shall apply in respect of any chargeable period commencing on or after 15 February 2001, and

(iii) as respects paragraph (c), shall be deemed to have applied as on and from 1 January 2001.

67.—Part 26 of the Principal Act is amended by the insertion after Chapter 5 of the following Chapter: Amendment of Part 26 (life assurance companies) of Principal Act.

“Chapter 6

Certain Foreign Life Policies — Taxation and Returns

Interpretation and application.

730H.—(1) In this Chapter—

‘chargeable period’ has the same meaning as in section 321(2);

‘EEA Agreement’ means the Agreement on the European Economic Area signed at Oporto on 2 May 1992, as adjusted by the Protocol signed at Brussels on 17 March 1993;

‘EEA state’ means a State, other than the State, which is a Contracting Party to the EEA Agreement;

‘foreign life policy’ means a policy of assurance on the life of a person commenced—

(a) by a branch or agency, carrying on business in an offshore state, of an assurance company, or

(b) by an assurance company carrying on business in an offshore state, other than by its branch or agency carrying on business in the State;

‘OECD’ means the organisation known as the Organisation for Economic Co-operation and Development;

‘offshore state’ means a State other than the State which is—

(i) a Member State of the European Communities,

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- (ii) a State which is an EEA state, or
- (iii) a State which is a member of the OECD, the government of which have entered into arrangements having the force of law by virtue of section 826;

‘relevant payment’ means any payment made to a person in respect of a foreign life policy where such payments are made annually or at more frequent intervals, other than a payment made in consideration of the disposal, in whole or in part, of the foreign life policy;

‘return of income’ has the meaning assigned to it by section 1084;

‘specified return date for the chargeable period’ has the meaning assigned to it by section 950;

‘standard rate per cent’ has the meaning assigned to it by section 4.

(2) For the purposes of this Chapter—

- (a) there shall be a disposal of an asset if there would be such a disposal for the purposes of the Capital Gains Tax Acts,
- (b) an income shall be correctly included in a return made by a person, only where that income is included in a return of income made by the person on or before the specified return date for the chargeable period in which the income arises, and
- (c) details of a disposal shall be correctly included in a return made by a person, only where details of the disposal are included in a return of income made by the person or, where the person has died, his or her executor or administrator, on or before the specified return date for the chargeable period in which the disposal is made.

Returns on acquisition of foreign life policy.

730I.—Where in any chargeable period a person acquires a foreign life policy, the person shall, notwithstanding anything to the contrary in section 950 or 1084, be deemed for that chargeable period to be a chargeable

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person for the purposes of sections 951 and 1084, and the return of income to be delivered by the person for that chargeable period shall include the following particulars—

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- (a) the name and address of the person who commenced the foreign life policy,
- (b) a description of the terms of the foreign life policy including premiums payable, and
- (c) the name and address of the person through whom the foreign life policy was acquired.

Payment in respect of foreign life policy.

730J.— Where on or after 1 January 2001 a person who has a foreign life policy is in receipt of a payment in respect of the foreign life policy, then—

- (a) where the person is not a company, and—
 - (i) the income represented by the payment is correctly included in a return made by the person, then, notwithstanding section 15, the rate of income tax to be charged on the income shall be—
 - (I) where the payment is a relevant payment, the standard rate per cent, and
 - (II) where the payment is not a relevant payment and is not made in consideration of the disposal, in whole or in part, of the foreign life policy, at the rate determined by the formula—

$(S + 3)$ per cent,

where S is the standard rate per cent,

and

- (ii) where the income represented by the payment is not correctly included in a return made by the person, the income shall be charged to income tax at a rate determined by section 15,

and

- (b) where the person is a company, the income represented by the payment shall be charged to tax under Case III of Schedule D.

[No. 7.]

Disposal of foreign
life policy.*Finance Act, 2001.*

[2001.]

730K.—(1) Where on or after 1 January 2001 a person disposes, in whole or in part, of a foreign life policy, and the disposal gives rise to a gain computed in accordance with subsection (2), and details of the disposal have been correctly included in a return made by the person, then notwithstanding section 594, the amount of the gain shall be treated as an amount of income chargeable to tax under Case IV of Schedule D, and where the person is not a company, the rate of income tax to be charged on that income shall be the rate determined by the formula—

$$(S + 3) \text{ per cent,}$$

where S is the standard rate per cent.

(2) The amount of the gain accruing on a disposal referred to in subsection (1) is the amount of the relevant gain (within the meaning of section 594(2)) which would be computed if the gain accruing on the disposal were computed for the purposes of that section.

(3) Notwithstanding sections 538 and 546, where apart from this subsection the effect of any computation under subsection (2) would be to produce a loss, the gain on the disposal referred to in subsection (1) shall be treated as nil and accordingly for the purposes of this Chapter no loss shall be treated as accruing on such disposal.

(4) Where, as a result of a disposal by a person, an amount of income is chargeable to tax under Case IV of Schedule D in accordance with subsection (1), that amount shall not be reduced by a claim made by the person—

(a) where the person is not a company, under section 381 or 383, or

(b) where the person is a company, under section 396 or 399.

(5) Where an individual is chargeable to tax in accordance with subsection (1) in respect of an amount of income—

(a) the tax thereby payable, in so far as it is paid, shall be treated as an amount of capital gains tax paid for the purposes of section 63 of the Finance Act, 1985, and

(b) that amount of income shall not be included in reckonable income (within the meaning of the

[2001.]

Finance Act, 2001.

[No. 7.]

Health Contributions Regu- Pr.1 S.67
lations, 1979 (S.I. No. 107 of
1979)) for the purposes of those
Regulations.”.

(2) This section shall be deemed to have applied as on and from 1 January 2001.

68.—(1) Section 723 of the Principal Act is amended—

Amendment of
section 723 (special
investment policies)
of Principal Act.

(a) by the deletion in subsection (1) of the definition of “relevant period”,

(b) by the substitution in subsection (2) for paragraph (g) of the following paragraph:

“(g) the aggregate of consideration given for shares which are, at any time on or after 1 February 1996 and before 31 December 2000, assets of the fund shall not be less than—

(i) as respects qualifying shares, 55 per cent,
and

(ii) as respects specified qualifying shares, 10
per cent,

of the aggregate of the consideration given for the assets which are assets of the fund at that time.”,

and

(c) in subsection (3) by the deletion of paragraph (c).

(2) This section shall be deemed to have applied as on and from 1 January 2001.

69.—(1) Section 730A of the Principal Act is amended in subsection (1)—

Amendment of
section 730A
(profits of life
business: new basis)
of Principal Act.

(a) in the definition of “new basis business”—

(i) in paragraph (a) by the substitution for subparagraph (i) of the following:

“(i) all policies and contracts commenced by the assurance company on or after 1 January 2001 except those which refer to industrial assurance business, and”,

and

(ii) in paragraph (c) by the substitution for “from the time it began to carry on life business.” of “from the time it began to carry on life business;”,

(b) by the insertion after the definition of “new basis business” of the following:

“‘sinking fund or capital redemption business’ has the same meaning as in section 3 of the Insurance Act, 1936.”,

and

(c) by the insertion after subsection (5) of the following:

“(6) Notwithstanding the provisions of Chapter 3 of Part 12, where an assurance company incurs a loss in respect of new basis business, the amount of the loss which may be set off against profits of any other business of the company shall not exceed such amount of those profits computed under the provisions of Case 1 of Schedule D and section 710.

(7) (a) This subsection applies to a company carrying on any mutual life assurance business.

(b) Subject to paragraph (c), in respect of each accounting period of a company to which this subsection applies, one-twentieth of the amount determined under subsection (8)(c) shall be treated as annual profits or gains within Schedule D and shall be chargeable to corporation tax under Case III of that Schedule.

(c) Where for an accounting period the value referred to in subsection (8)(c)(ii) is not less than such value at 31 December 2000, but exceeds the value referred to in subsection (8)(c)(i), an amount equal to one-twentieth of the excess may be deducted from annual profits or gains chargeable to corporation tax by virtue of paragraph (b), of the previous accounting period (so long as it commences on or after 1 January 2001) or a subsequent accounting period.

(8) (a) In this subsection ‘statutory accounts’, in relation to a company means—

(i) in the case of a company (in this definition referred to as the ‘resident company’) resident in the State, the profit and loss account and balance sheet of that company, and

(ii) in the case of a company (in this definition referred to as the ‘non-resident company’) not resident in the State but carrying on a trade in the State through a branch or agency, the profit and loss account and balance sheet of the company,

a report in respect of which is required to be made to the members of the company by an auditor appointed under section 160 of the Companies Act, 1963, or under the law of the

[2001.]

Finance Act, 2001.

[No. 7.]

State in which the resident company or non-resident company is incorporated and which corresponds to that section. Pr.1 S.69

(b) For the purposes of this subsection the liabilities of an assurance company attributable to any business at any time shall be ascertained by reference to the net liabilities of the company as valued by an actuary for the purposes of the statutory accounts in relation to the company.

(c) The amount referred to in subsection (7)(b) is—

(i) the total value at the end of the accounting period,

less—

(ii) the total value at the beginning of the accounting period,

of all funds the allocation of which to policyholders has not been determined; but in the case of an overseas life assurance company, the values referred to in subparagraphs (i) and (ii) at a time shall be multiplied by the following fraction—

$$\frac{A}{B}$$

where—

A is the liabilities at that time to policyholders whose proposals were made to the company at or through its branch or agency in the State, and

B is the liabilities at that time to all the company's policyholders.”.

(2) This section shall apply as respects accounting periods commencing on or after 1 January 2001.

70.—(1) Chapter 5 of Part 26 of the Principal Act is amended—
(a) in section 730B by the substitution for subsection (2) of the following:

Amendment of Chapter 5 (policyholders — new basis) of Part 26 of Principal Act.

“(2) Subject to subsection (3), this Chapter applies for the purpose of imposing certain charges to tax in respect of a policy (in this Chapter referred to as a ‘life policy’) which is—

(a) a policy of assurance on the life of any person, or

(b) a policy in respect of sinking fund or capital redemption business,

where the life policy is new basis business of the assurance company which commenced the life policy.”,

(b) by the substitution for section 730C of the following:

“Chargeable event. 730C.—(1) Subject to the provisions of this section, in this Chapter—

(a) ‘chargeable event’, in relation to a life policy, means—

(i) the maturity of the life policy (including where payments are made on death or disability, which payments result in the termination of the life policy),

(ii) the surrender in whole or in part of the rights conferred by the life policy (including where payments are made on death or disability, which payments do not result in the termination of the life policy),

(iii) the assignment in whole or in part, of those rights,

and

(b) in the case of a life policy issued by an assurance company which could have made an election under section 730A(2), but did not so do, a chargeable event shall be deemed to happen on 31 December 2000, where the life policy was commenced before that date.

(2) No account shall be taken for the purposes of subsection (1) of an assignment in whole or in part effected—

(a) by way of security for a debt, or the discharge of a debt secured by the rights concerned, where the debt is a debt due to a financial institution (within the meaning of section 906A),

(b) between a husband and wife,

(c) between the spouses or former spouses concerned (as the case may be), by virtue or in consequence of an order made under Part III of the Family Law (Divorce) Act, 1996, on or following the granting of a decree of divorce,

- (d) between the spouses concerned, by virtue or in consequence of an order made under Part II of the Family Law Act, 1995, on or following the granting of a decree of judicial separation within the meaning of that Act, or
- (e) between the spouses or former spouses concerned (as the case may be), by virtue of an order or other determination of like effect, which is analogous to an order referred to in paragraph (c) or (d), of a court under the law of a territory other than the State made under or in consequence of the dissolution of a marriage or the legal separation of the spouses, being a dissolution or legal separation that is entitled to be recognised as valid in the State.
- (3) (a) Where at any time a life policy, or an interest therein, gives rise to benefits in respect of death or disability, the amount or value of such benefits which shall be taken into account for the purposes of determining the amount of a gain under section 730D shall be the excess of the value of the policy or, as the case may be, the interest therein, immediately before that time, over the value of the policy or, as the case may be, the interest therein, immediately after that time.
- (b) For the purposes of paragraph (a), the value of a policy or of an interest therein at a time means—
- (i) in the case of a policy which has a surrender value, the surrender value of the policy or, as the case may be, of the interest therein, at that time, and
- (ii) in the case of a policy which does not have a surrender value, the market value of the rights or other benefits conferred by the policy or, as the case may be, the interest therein, at that time.
- (c) In determining the amount or value of benefits payable under a life policy for the purposes of

paragraph (a) or (b), no account shall be taken of any amount of appropriate tax which may be required by this Chapter to be deducted from such benefits.”,

(c) in section 730D—

(i) by the substitution for subsection (2) of the following:

“(2) A gain shall not be treated as arising on the happening of a chargeable event in relation to a life policy where—

(a) immediately before the chargeable event, the assurance company which commenced the life policy—

(i) is in possession of a declaration, in relation to the life policy, of a kind referred in section 730E(2), and

(ii) is not in possession of any information which would reasonably suggest that—

(I) the information contained in that declaration is not, or is no longer, materially correct,

(II) the policyholder (within the meaning of section 730E) failed to comply with the undertaking referred to in section 730E(2)(f), or

(III) immediately before the chargeable event the policyholder (within the said meaning) is resident or ordinarily resident in the State,

(b) immediately before the chargeable event, the policy holder is—

(i) a company carrying on life business,

(ii) an investment undertaking (within the meaning of section 739B), or

(iii) a person who is entitled to exemption from income tax by virtue of section 207(1)(b),

and the assurance company which commenced the life policy is in possession of a declaration in relation

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to the life policy, of a kind referred Pr.1 S.70
to in section 730E(3), or

- (c) where the life policy is an asset held in a special savings incentive account within the meaning of section 848B (inserted by the *Finance Act, 2001*) and the assurance company which commenced the life policy is in possession of a declaration of a kind referred to in section 730E(3A).”,

and

- (ii) in subsection (4) by the substitution for paragraph (a) of the following:

“(a) For the purposes of subsection (3), the amount of premiums taken into account in determining a gain on the happening of a chargeable event, is where the gain is, or would but for subsection (2) be determined—

- (i) under paragraph (c) of subsection (3), an amount equal to the lesser of B and—

$$\frac{(P \times B)}{V},$$

and

- (ii) under paragraph (d) of subsection (3), an amount equal to the lesser of A and—

$$\frac{(P \times A)}{V},$$

(d) in section 730E—

- (i) in subsection (2)—

(I) by the substitution for “section 730D(2)(a)(i)” of “section 730D(2)(a)”,

- (II) by the substitution for paragraph (a) of the following:

“(a) is made by the policyholder,”,

and

- (III) by the substitution for paragraph (d) of the following:

“(d) declares that the policyholder is not resident and not ordinarily resident in the State at the time of making the declaration,”,

and

(ii) by the substitution for subsection (3) of the following:

“(3) The declaration referred to in section 730D(2)(b) in relation to a life policy is, subject to subsection (4), a declaration in writing to the assurance company which—

- (a) is made by the policyholder,
- (b) is signed by the policyholder,
- (c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,
- (d) contains the name and address of the policyholder,
- (e) declares that the policyholder, at the time the declaration is made, is—
 - (i) a company carrying on life business,
 - (ii) an investment undertaking (within the meaning of section 739B), or, as the case may be,
 - (iii) a person who is entitled to exemption from income tax by virtue of section 207(1)(b),
- (f) contains an undertaking that should the policyholder cease to be a person referred to in subparagraph (i), (ii), or as the case may be (iii) of paragraph (e), the assurance company will be advised accordingly, and
- (g) contains such other information as the Revenue Commissioners may reasonably require for the purposes of this Chapter.

(3A) The declaration referred to in section 730D(2)(c) in relation to a life policy is a declaration in writing to the assurance company which—

- (a) is made by a qualifying savings manager (in this paragraph referred to as the ‘declarer’) within the meaning of section 848B (inserted by the *Finance Act, 2001*), in respect of the life policy which is an asset held in a special savings incentive account,
- (b) is signed by the declarer,
- (c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,

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(d) declares that, at the time the declaration is made, the life policy in respect of which the declaration is made—

(i) is an asset held in a special savings investment account, and

(ii) is managed by the declarer for the individual who is beneficially entitled to the life policy,

(e) contains the name and the address, and the PPS Number (within the meaning of section 223 of the Social Welfare (Consolidation) Act, 1993), of the individual referred to in paragraph (d),

(f) contains an undertaking by the declarer that if the life policy ceases to be an asset held in the special savings incentive account, the declarer will notify the assurance company accordingly, and

(g) contains such other information as the Revenue Commissioners may reasonably require for the purposes of this Chapter.”,

(e) in section 730G(1) in paragraph (c) by the substitution for “Subsections (2) and (4)” by “Subsections (2) to (4)”, and

(f) by the insertion after section 730G of the following:

“Repayment of appropriate tax.

730GA.—For the purposes of a claim to relief, under section 189, 189A or 192, or a repayment of income tax in consequence thereof, the amount of a payment made to a policyholder by an assurance company shall be treated as a net amount of income from the gross amount of which has been deducted income tax, of an amount equal to the amount of appropriate tax (within the meaning of section 730F) deducted from the payment, and such amount of gross income shall be treated as chargeable to tax under Case III of Schedule D.

Capital acquisitions tax: set-off.

730GB.—Where appropriate tax is payable as a result of the death of a person, the amount of such tax, in so far as it has been paid, shall be treated as an amount of capital gains tax paid for the purposes of section 63 of the Finance Act, 1985.”.

(2) This section shall—

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(a) as respects paragraph (b), apply as on and from 15 February 2001,

(b) as respects paragraphs (a), (c), (d), (e) and (f), apply as on and from 1 January 2001.

Amendment of section 731 (chargeable gains accruing to unit trusts) of Principal Act.

71.—(1) Section 731 of the Principal Act is amended in subsection (5)—

(a) by the substitution in paragraph (a) for “all the issued units in a unit trust” of “all the issued units in a unit trust which neither is, nor is deemed to be, an authorised unit trust scheme (within the meaning of the Unit Trusts Act, 1990)”, and

(b) by the insertion after paragraph (b) of the following:

“(c) Where, by virtue of paragraph (a), gains accruing to a unit trust in a year of assessment are not chargeable gains, then—

(i) the unit trust shall not be chargeable to income tax for that year of assessment, and

(ii) a deposit (within the meaning of section 256(1)), which is an asset of the unit trust, shall not be a relevant deposit (within the meaning of that section) for the purposes of Chapter 4 of Part 8, for that year of assessment.”.

(2) This section shall be deemed to have applied—

(a) as respects paragraph (a), as on and from 1 January 2001, and

(b) as respects paragraph (b), for the year of assessment 2000-2001 and subsequent years of assessment.

Amendment of Part 27 (unit trusts and offshore funds) of Principal Act.

72.—(1) Part 27 of the Principal Act is amended by the insertion after Chapter 3 of the following:

“CHAPTER 4

Certain Offshore Funds — Taxation and Returns

Interpretation and application.

747B.—(1) In this Chapter—

‘chargeable period’ has the same meaning as in section 321(2);

‘EEA Agreement’ means the Agreement on the European Economic Area signed at Oporto on 2 May 1992, as adjusted by the Protocol signed at Brussels on 17 March 1993;

‘EEA state’ means a State, other than the State, which is a Contracting Party to the EEA Agreement;

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‘material interest’ shall be construed in Pr.1 S.72 accordance with section 743;

‘OECD’ means the organisation known as the Organisation for Economic Co-operation and Development;

‘offshore fund’ has the meaning assigned to it by section 743;

‘offshore state’ means a State, other than the State, which is—

- (i) a Member State of the European Communities,
- (ii) a State which is an EEA state, or
- (iii) a State which is a member of the OECD, the government of which have entered into arrangements having the force of law by virtue of section 826;

‘relevant payment’ means any payment including a distribution made to a person in respect of a material interest in an offshore fund, where such payments are made annually or at more frequent intervals, other than a payment made in consideration of the disposal of an interest in the offshore fund;

‘return of income’ has the meaning assigned to it by section 1084;

‘specified return date for the chargeable period’ has the meaning assigned to it by section 950;

‘standard rate per cent’ has the meaning assigned to it by section 4.

(2) This Chapter applies to an offshore fund which—

- (a) being a company, the company is resident in,
- (b) being a unit trust scheme, the trustees of the unit trust scheme are resident in, or
- (c) being any arrangements referred to in section 743(1), those arrangements take effect by virtue of the law of,

an offshore state.

(3) For the purposes of this Chapter—

- (a) (i) there shall be a disposal of an asset if there would be such

a disposal for the purposes of the Capital Gains Tax Acts, and

- (ii) where, on the death of a person, an asset which the person was competent to dispose, is a material interest in an off-shore fund to which this Chapter applies, then, notwithstanding section 573(2)(b), such material interest shall be deemed to be disposed of and reacquired by the person immediately before the death of the person for a consideration equal to its then market value,
- (b) an income shall be correctly included in a return made by a person, only where that income is included in a return of income made by the person on or before the specified return date for the chargeable period in which the income arises, and
- (c) details of a disposal shall be correctly included in a return made by a person, only where details of the disposal are included in a return of income made by the person or, where the person has died, his or her executor or administrator, on or before the specified return date for the chargeable period in which the disposal is made.

Return on acquisition of material interest.

747C.—Where in any chargeable period a person acquires a material interest in an off-shore fund, the person shall, notwithstanding anything to the contrary in section 950 or 1084, be deemed for that chargeable period to be a chargeable person for the purposes of sections 951 and 1084, and the return of income to be delivered by the person for that chargeable period shall include the following particulars—

- (a) the name and address of the off-shore fund,
- (b) a description, including the cost to the person, of the material interest acquired, and
- (c) the name and address of the person through whom the material interest was acquired.

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Payment in respect
of offshore funds.

747D.—Where on or after 1 January 2001 a person who has a material interest in an offshore fund, is in receipt of a payment from the offshore fund, then—

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(a) where the person is not a company,
and

(i) the income represented by the payment is correctly included in a return made by the person, then notwithstanding section 15, the rate of income tax to be charged on the income shall be—

(I) where the payment is a relevant payment, the standard rate per cent,
and

(II) where the payment is not a relevant payment and is not made in consideration of the disposal of an interest in the offshore fund, at the rate determined by the formula—

$(S + 3)$ per cent,

where S is the standard rate per cent,

and

(ii) where the income represented by the payment is not correctly included in a return made by the person, the income shall be charged to income tax at a rate determined by section 15,

and

(b) where the person is a company, the income represented by the payment shall be charged to tax under Case III of Schedule D.

Disposal of an
interest in offshore
funds.

747E.—(1) Where on or after 1 January 2001 a person who has a material interest in an offshore fund, disposes of an interest in the offshore fund and the disposal gives rise to a gain computed in accordance with subsection (2), then, notwithstanding sections 745 and 747, the amount of that gain shall be treated as an amount of income chargeable to tax under Case IV of Schedule D, and where the person is not a company, and the person has correctly included details of the disposal in a return made by the person, the rate of income tax to be charged on that income shall, notwithstanding section 15, be the rate determined by the formula—

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(S + 3) per cent,

where S is the standard rate per cent.

(2) The amount of the gain accruing on a disposal referred to in subsection (1) is the amount which would be the amount of a gain accruing on the disposal for the purposes of the Capital Gains Tax Acts, if it were computed without regard to—

(a) any charge to tax by virtue of this section, and

(b) section 556(2).

(3) Notwithstanding sections 538 and 546, where apart from this subsection the effect of any computation under subsection (2) would be to produce a loss, the gain on the disposal referred to in subsection (1) shall be treated as nil and accordingly for the purposes of this Chapter no loss shall be treated as accruing on such disposal.

(4) Where, as a result of a disposal by a person, an amount of income is chargeable to tax under Case IV of Schedule D, that amount shall not be reduced by a claim made by the person—

(a) where the person is not a company, under section 381 or 383, or

(b) where the person is a company, under section 396 or 399.

(5) Where an individual is chargeable to tax in accordance with subsection (1) in respect of an amount of income—

(a) the tax thereby payable, in so far as it is paid, shall be treated as an amount of capital gains tax paid, for the purposes of section 63 of the Finance Act, 1985, and

(b) that amount of income shall not be included in reckonable income (within the meaning of the Health Contributions Regulations, 1979 (S.I. No. 107 of 1979)) for the purposes of those Regulations.”.

(2) This section shall be deemed to have applied as on and from 1 January 2001.

Amendment of section 737 (special investment schemes) of Principal Act.

73.—(1) Section 737 of the Principal Act is amended—

(a) by the deletion in subsection (1) of the definition of “relevant period”,

[2001.]

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(b) by the substitution in subsection (2) for paragraph (a)(v) of Pr.1 S.73 the following paragraph:

“(v) the aggregate of consideration given for shares which are, at any time on or after 1 February 1996 and before 31 December 2000, assets subject to any trust created under the scheme shall not be less than—

(I) as respects qualifying shares, 55 per cent, and

(II) as respects specified qualifying shares, 10 per cent,

of the aggregate of the consideration given for the assets which are at that time subject to any such trust.”,

and

(c) by the deletion in subsection (3)(a) of subparagraph (iii).

(2) This section shall be deemed to have applied as on and from 1 January 2001.

74.—(1) Chapter 1A of Part 27 of the Principal Act is amended—

Amendment of Chapter 1A (investment undertakings) of Part 27 of Principal Act.

(a) in section 739B—

(i) in subsection (1)—

(I) in the definition of “chargeable event”—

(A) by the deletion in paragraph (b) of “other than a payment made on the death of a unit holder”,

(B) by the deletion in paragraph (c) of “(other than as a result of the death of the unit holder)”, and

(C) by the substitution for paragraphs (A) and (B) of the following:

“(I) any exchange by a unit holder, effected by way of a bargain made at arm’s length by an investment undertaking which is an umbrella scheme, of units in a sub-fund of the investment undertaking, for units in another sub-fund of the investment undertaking,

(II) any exchange by a unit holder, effected by way of a bargain made at arm’s length by an investment undertaking, of units in the investment undertaking for other units in the investment undertaking,

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- (III) any transaction in relation to, or in respect of, units which are held in a recognised clearing system, and
- (IV) the transfer by a unit holder of entitlement to a unit where the transfer is—
 - (A) between a husband and wife,
 - (B) between the spouses or former spouses concerned (as the case may be), by virtue or in consequence of an order made under Part III of the Family Law (Divorce) Act, 1996, on or following the granting of a decree of divorce,
 - (C) between the spouses concerned, by virtue or in consequence of an order made under Part II of the Family Law Act, 1995, on or following the granting of a decree of judicial separation within the meaning of that Act, or
 - (D) between the spouses or former spouses concerned (as the case may be), by virtue of an order or other determination of like effect, which is analogous to an order referred to in subparagraph (B) or (C), of a court under the law of a territory other than the State made under or in consequence of the dissolution of a marriage or the legal separation of the spouses, being a dissolution or legal separation that is entitled to be recognised as valid in the State,

but on the happening of a chargeable event following such a transfer, the then unit holder shall be treated as having acquired the unit transferred at the same cost as the person who transferred the unit;”,

- (II) by the insertion after the definition of “qualifying management company” of the following:

“‘qualifying savings manager’ has the meaning assigned to it in section 848B (inserted by the *Finance Act, 2001*);”,

and

- (III) by the insertion after the definition of “special investment scheme” of the following:

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“‘special savings incentive account’ has the meaning assigned to it by section 848B (inserted by the *Finance Act, 2001*);”,

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and

(ii) by the substitution for subsection (3) of the following:

“(3) This Chapter applies to an investment undertaking and the unit holders in relation to that investment undertaking where the investment undertaking—

(a) is on 31 March 2000 a specified collective investment undertaking, from 1 April 2000,

(b) first issued units on or after 1 April 2000, from the day of such first issue, or

(c) was a unit trust mentioned in section 731(5)(a), from the day on which the unit trust became an investment undertaking.”,

(b) in section 739D—

(i) in subsection (1) by the substitution for paragraph (a) of the following:

“(a) references to an investment undertaking being associated with another investment undertaking are references to both investment undertakings being set up and promoted by the same person,”,

(ii) by the substitution for subsections (3), (4) and (5) of the following:

“(3) The amount referred to in subsection (2)(c) is the amount determined by the formula—

$$P = \frac{C \times P}{V}$$

where—

P is the amount in money or money’s worth payable to the unit holder on the cancellation, redemption or repurchase of units, without having regard to any amount of appropriate tax (within the meaning of section 739E) thereby arising,

C is the total amount invested by the unit holder in the investment undertaking to acquire the units held by the unit holder immediately before the chargeable event and—

(a) where any unit was otherwise acquired by the unit holder, or

- (b) where a chargeable event was deemed to happen on 31 December 2000 in respect of the unit holder of that unit,

the amount so invested to acquire the unit is—

- (i) where paragraph (a) applies, the value of the unit at the time of its acquisition by the unit holder, and
- (ii) where paragraph (b) applies, the greater of the cost of first acquisition of the unit by the unit holder and the value of the unit on 31 December 2000, without having regard to any amount of appropriate tax (within the meaning of section 739E) thereby arising,

and

V is the total value of the units held by the unit holder immediately before the chargeable event.

(4) The amount referred to in subsection (2)(d) is the amount determined by the formula—

$$V1 - \frac{(C \times V1)}{V2}$$

where—

V1 is the value of the units transferred, at the time of transfer, without having regard to any amount of appropriate tax (within the meaning of section 739E) thereby arising,

C is the total amount invested by the unit holder in the investment undertaking to acquire the units held by the unit holder immediately before the chargeable event and—

- (a) where any unit was otherwise acquired by the unit holder, or
- (b) a chargeable event was deemed to happen on 31 December 2000 in respect of the unit holder of that unit,

the amount so invested to acquire the unit is—

- (i) where paragraph (a) applies, the value of the unit at the time of its acquisition by the unit holder, and
- (ii) where paragraph (b) applies, the greater of the cost of first acquisition of the unit by the unit holder and the value of the unit on 31 December 2000, without having regard to any amount of appropriate tax (within the meaning of section 739E) thereby arising,

and

V2 is the total value of the units held by the unit holder immediately before the chargeable event.

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(5) (a) The election referred to in paragraphs Pr.1 S.74

(c) and (d) of subsection (2) is an irrevocable election made by an investment undertaking in respect of all its unit holders at the time of the election or at any other time, so that, for the purposes of identifying units acquired with units subsequently disposed of by a unit holder, units acquired at an earlier time are deemed to have been disposed of before units acquired at a later time.

(b) On the first occasion that an investment undertaking is required to compute a gain on the happening of a chargeable event in respect of a unit holder on the cancellation, redemption, repurchase or transfer of a unit, and—

(i) the gain is computed in accordance with paragraph (a), the investment undertaking will be deemed to have made the election specified in that paragraph, or

(ii) the gain is not computed in accordance with paragraph (a), an election under paragraph (a) shall not be made.”,

(iii) by the substitution for subsection (6)(h) of the following:

“(h) is a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) (as amended by the Finance Act, 2000) or by virtue of section 848E (inserted by the *Finance Act, 2001*) and the units held are assets of an approved retirement fund, an approved minimum retirement fund or, as the case may be, a special savings incentive account, and the qualifying fund manager, or, as the case may be, the qualifying savings manager has made a declaration to the investment undertaking in accordance with paragraph 9 of Schedule 2B.”,

(iv) by the insertion of the following after subsection (7):

“(7A) Where an investment undertaking is in possession of—

(a) a declaration made by a unit holder who is a person referred to in subsection (6), or

(b) a declaration made by a unit holder of the kind referred to in subsection (7) and paragraph (b) of that subsection is satisfied,

which unit holder is entitled to the units in respect of which the declaration was made, a gain shall not be treated as arising—

- (i) to the investment undertaking on the happening of a chargeable event in respect of the unit holder in relation to any other units in the investment undertaking to which the unit holder becomes entitled, or
- (ii) to another investment undertaking which is associated with the investment undertaking referred to in subparagraph (i), on the happening of a chargeable event in respect of the unit holder in relation to units in that other investment undertaking to which the unit holder becomes entitled.”,

(v) by the substitution for subsection (8) of the following:

“(8) (a) A gain shall not be treated as arising to an investment undertaking on the happening of a chargeable event in respect of a unit holder where the investment undertaking was on 31 March 2000 a specified collective investment undertaking and—

- (i) the unit holder was a unit holder (within the meaning of section 734(1)) in relation to that specified collective investment undertaking at that time and the investment undertaking on or before 30 June 2000 makes to the Collector-General a declaration in accordance with paragraph 12 of Schedule 2B, or
- (ii) the unit holder otherwise became a unit holder on or before 30 September 2000 and the investment undertaking forwarded to the Collector-General, on or before 1 November 2000, a list containing the name and address of each such unit holder who is resident in the State,

otherwise than, subject to paragraph (b), in respect of a unit holder (in this subsection and in section 739G referred to as an ‘excepted unit holder’)—

- (I) whose name is included in the schedule to the declaration referred to in paragraph 12(d) of Schedule 2B or the list referred to in subparagraph (ii), and
- (II) who has not made a declaration of a kind referred to in subsection (6) to the investment undertaking.

(b) A gain shall not be treated as arising to an investment undertaking on the happening of a chargeable event in respect of an excepted

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unit holder where a chargeable event is Pr.1 S.74
deemed to happen on 31 December 2000.

(8A) Where under subsection (8)(a) a gain is not treated as arising to an investment undertaking on the happening of a chargeable event in respect of a unit holder who acquired units on or before 30 September 2000, a gain shall not be treated as arising—

- (a) to the investment undertaking on the happening of a chargeable event in respect of the unit holder in relation to any other units in the investment undertaking to which the unit holder becomes entitled, or
- (b) to another investment undertaking which is associated with the investment undertaking referred to in paragraph (a), on the happening of a chargeable event in respect of the unit holder in relation to units in that other investment undertaking to which the unit holder becomes entitled.

(8B) A gain shall not be treated as arising to an investment undertaking on the happening of a chargeable event in respect of a unit holder where—

- (a) the investment undertaking was a unit trust mentioned in section 731(5)(a),
- (b) the unit holder held units in that unit trust at the time that it became an investment undertaking, and
- (c) within 30 days of that time, the investment undertaking forwards to the Collector-General a list containing the name and address of each such unit holder and such other information as the Revenue Commissioners reasonably require.

(8C) (a) In this section a ‘scheme of amalgamation’ means an arrangement whereby a unit holder in a unit trust referred to in section 731(5)(a) exchanges units so held, for units in an investment undertaking.

- (b) A gain shall not be treated as arising to an investment undertaking on the happening of a chargeable event in respect of a unit holder where—
 - (i) the unit holder acquires units in the investment undertaking in exchange for units held in a unit trust referred to in section 731(5)(a), under a scheme of amalgamation, and
 - (ii) within 30 days of the scheme of amalgamation taking place, the investment undertaking forwards to the Collector-General a list containing, in respect of each unit holder who

so acquired units in the investment undertaking, the name and address and such other information as the Revenue Commissioners may reasonably require.

(8D) (a) In this section ‘scheme of migration and amalgamation’ means an arrangement whereby the assets of a unit trust, whose trustees are neither resident nor ordinarily resident in the State, are transferred to an investment undertaking in exchange for the issue by the investment undertaking of units to the unit holders of the unit trust, in proportion to the number of units they so held, and as a result of which the units in the unit trust become negligible in value.

(b) A gain shall not be treated as arising to an investment undertaking on the happening of a chargeable event in respect of a unit holder where—

(i) under a scheme of migration and amalgamation the unit holder acquires units in the investment undertaking in exchange for units held in a unit trust whose trustees are neither resident nor ordinarily resident in the State, and

(ii) within 30 days of the scheme of migration and amalgamation taking place, the investment undertaking forwards to the Collector-General, a declaration of a kind referred to in paragraph (c),

otherwise than in respect of a unit holder whose name is included in the schedule referred to in paragraph (c)(ii).

(c) The declaration referred to in paragraph (b) is a declaration in writing made and signed by the investment undertaking which—

(i) declares to the best of the investment undertaking’s knowledge and belief that at the time of the scheme of migration and amalgamation it did not issue units to a person who was resident in the State at that time, other than such persons whose names and addresses are set out on the schedule to the declaration, and

(ii) contains a schedule which sets out the name and address of each person who was resident in the State at the time that the person was issued units by the investment undertaking under the scheme of migration and amalgamation.”,

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(vi) by the substitution in subsection (9) for “A gain shall not be treated as arising to an investment undertaking on the happening of a chargeable event in respect of a unit holder who is an intermediary” of “A gain shall not be treated as arising to an investment undertaking on the happening of a chargeable event in respect of a unit holder”, and

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(vii) by the substitution for subsection (10) of the following:

“(10) An investment undertaking shall keep and retain declarations made to it in accordance with Schedule 2B for a period of 6 years from the time the unit holder of the units in respect of which the declaration was made, ceases to be both such a unit holder and a unit holder in all investment undertakings which are associated with the investment undertaking.”,

(c) in section 739F by the substitution for subsection (5) of the following:

“(5) Where—

(a) any item has been incorrectly included in a return as appropriate tax, the inspector may make such assessments, adjustments or set-offs as may in his or her judgement be required for securing that the resulting liabilities, including interest on unpaid tax, whether of the investment undertaking making the return or of any other person, are in so far as possible the same as they would have been if the item had not been included, or

(b) any item has been correctly included in a return, but within one year of the making of the return the investment undertaking proves to the satisfaction of the Revenue Commissioners that it is just and reasonable that an amount of appropriate tax (included in the return) which has been paid, should be repaid to the investment undertaking, such amount may be repaid to the investment undertaking.”,

(d) in section 739F(7) by the substitution for paragraph (c) of the following:

“(c) Subsections (2) to (4) of section 1080 shall apply in relation to interest payable under paragraph (b) as they apply in relation to interest payable under section 1080.”,

(e) in section 739G—

(i) in subsection (2)—

(I) by the substitution for paragraph (b) of the following paragraph:

“(b) where the unit holder is not a company and the payment is a payment from

which appropriate tax has not been deducted, the amount of the payment shall be treated for the purposes of the Tax Acts as income arising to the unit holder, constituting profits or gains chargeable to tax under Case IV of Schedule D; but where the payment is in respect of the cancellation, redemption, repurchase or transfer of units, such income shall be reduced by the amount of the consideration in money or money's worth given by the unit holder for the acquisition of those units,"

(II) by the substitution for paragraphs (e) and (f) of the following:

“(e) where the unit holder is a company, the payment is not a relevant payment and appropriate tax has been deducted therefrom, such payment shall, subject to paragraph (g), not otherwise be taken into account for the purposes of the Tax Acts,

(f) where the unit holder is a company, the payment is not a relevant payment and appropriate tax has not been deducted from the payment, the amount of such payment shall, subject to paragraph (g), be treated for the purposes of the Tax Acts as income arising to the unit holder, constituting profits or gains chargeable to tax under Case IV of Schedule D; but where the payment is in respect of the cancellation, redemption, repurchase or transfer of units, such income shall be reduced by the amount of the consideration in money or money's worth given by the unit holder for the acquisition of those units,”

(III) by the substitution in paragraph (h) of “chargeable to income tax,” for “chargeable to income tax, and”, and

(IV) by the substitution for paragraph (i) of the following:

“(i) otherwise than by virtue of section 739F(5) or paragraph (j), no repayment of appropriate tax shall be made to any person who is not a company within the charge to corporation tax, and

(j) notwithstanding paragraph (a), for the purposes of a claim to relief, under section 189, 189A or 192, or a repayment of income tax in consequence thereof, the amount of a payment made to a unit holder shall be treated as a net amount of income from the gross amount of which has been deducted income tax (of

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an amount equal to the amount of appropriate tax deducted in making the payment), and such gross amount of income shall be treated as chargeable to tax under Case III of Schedule D.”, Pr.1 S.74

and

(ii) by the insertion after subsection (2) of the following:

“(3) References in subsection (2) to payments, from which appropriate tax has not been deducted, made to a unit holder by an investment undertaking, include references to payments made to a unit holder who holds units which are held in a recognised clearing system.

(4) Where the units of an investment undertaking are denominated in a currency other than the currency of the State (in this subsection referred to as ‘foreign currency’), then for the purposes of the Capital Gains Tax Acts the amount of foreign currency given by a unit holder to the investment undertaking for the acquisition of a unit in the investment undertaking shall be deemed to have been disposed of and reacquired by the unit holder—

(a) immediately before it was so given, and

(b) immediately after the unit holder receives payment for the cancellation, redemption or repurchase of, or as the case may be, transfer of, his or her units.

(5) Where appropriate tax is payable as a result of the death of a person, the amount of such tax, in so far as it has been paid, shall be treated as an amount of capital gains tax paid, for the purposes of section 63 of the Finance Act, 1985.”.

(2) This section shall—

(a) as respects paragraph (a)(i), apply on or after 15 February 2001, and

(b) as respects paragraphs (a)(ii) and (b) to (e), be deemed to have applied on or after 1 April 2000.

75.—The Principal Act is amended in Schedule 2B by the substitution for paragraph 9 of the following:

Amendment of Schedule 2B (Investment undertakings declarations) of Principal Act.

“Declaration of qualifying fund manager or qualifying savings manager

9. The declaration referred to in section 739D(6)(h) is a declaration in writing to the investment undertaking which—

(a) is made by a qualifying fund manager or, as the case may be, a qualifying savings manager (in this paragraph referred to as the ‘declarer’) in respect of the units which are assets in an approved retirement

fund, an approved minimum retirement fund, or a special savings incentive account,

- (b) is signed by the declarer,
- (c) is made in such form as may be prescribed or authorised by the Revenue Commissioners,
- (d) declares that, at the time the declaration is made, the units in respect of which the declaration is made—
 - (i) are assets of an approved retirement fund, an approved minimum retirement fund or, as the case may be, a special savings incentive account, and
 - (ii) are managed by the declarer for the individual who is beneficially entitled to the units,
- (e) contains the name, address and tax reference number of the individual referred to in paragraph (d),
- (f) contains an undertaking by the declarer that if the units cease to be assets of the approved retirement fund, the approved minimum retirement fund or held in the special savings incentive account, including a case where the units are transferred to another such fund or account, the declarer will notify the investment undertaking accordingly, and
- (g) contains such other information as the Revenue Commissioners may reasonably require for the purposes of Chapter 1A of Part 27.’.

Amendment of section 843 (capital allowances for buildings used for third level educational purposes) of Principal Act.

76.—(1) Section 843 of the Principal Act is amended—

- (a) in subsection (1)—
 - (i) in the definition of “approved institution”—
 - (I) by the substitution in paragraph (b) of “applies, or” for “applies;”, and
 - (II) by the insertion after paragraph (b) of the following:
 - “(c) any body engaged in the provision of third level health and social services education or training which is approved by the Minister for Health and Children for the purposes of this section and is in receipt of public funding in respect of the provision of such education or training;”,
 - (ii) in the definition of “qualifying expenditure”, by the substitution of the following for the words from “which, following” to the end of that definition:

“which—

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- (i) in the case of an institution referred to in paragraph (a) or (b) of the definition of ‘approved institution’, is, following the receipt of the advice of An tÚdarás, approved for that purpose by the Minister for Education and Science with the consent of the Minister for Finance, and
- (ii) in the case of a body referred to in paragraph (c) of the definition of ‘approved institution’, is approved for that purpose by the Minister for Health and Children with the consent of the Minister for Finance;”,

and

- (iii) in paragraph (b)(i) of the definition of “qualifying premises”, by the insertion of “or associated sporting or leisure activities” after “education”,
- (b) in subsection (4), by the insertion of “or, in the case of the construction of a qualifying premises which consists of a building or structure which is to be used for the purposes of sporting or leisure activities associated with third level education provided by an approved institution where in relation to that premises an application for certification under this subsection was made, and the construction of that premises commenced, prior to 15 February 2001, before 1 July 2001,” after “before the construction of a qualifying premises,”, and
- (c) in subsection (8)—
- (i) in paragraph (a), by the substitution of “paragraph (i) of the definition of ‘qualifying expenditure’ ” for “the definition of ‘qualifying expenditure’ ”,
- (ii) in paragraph (b), by the insertion of “in so far as that expenditure is concerned,” before “on the Minister for Finance”,
- (iii) by the substitution of “either generally in the case of institutions referred to in paragraphs (a) and (b) of the definition of “approved institution” or in respect of capital expenditure to be incurred on any particular type of qualifying premises to be used by any such institution” for “either generally or in respect of capital expenditure to be incurred on any particular type of qualifying premises”,
- (iv) by the insertion after “where these Ministers of the Government so delegate that authority” of “, then, as respects the matters so delegated”, and
- (v) by the substitution of the following for paragraph (I):
- “(I) the definition of ‘qualifying expenditure’ in subsection (1) shall apply as if the reference in paragraph (i) of that definition to ‘is, following the receipt of the advice of An tÚdarás, approved for that purpose by the Minister for Education

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and Science with the consent of the Minister for Finance' were a reference to 'is approved for that purpose by An tÚdarás, and''.

(2) *Subsection (1)(a)(iii)* shall be deemed to have come into operation as respects capital expenditure incurred on or after 1 October 1999.

Changeover to
calendar year of
assessment.

77.—(1) The Principal Act is amended—

(a) in section 2(1), by the substitution of the following for the definition of "year of assessment":

“‘year of assessment’ means—

- (a) in relation to a period prior to 6 April 2001, a year beginning on 6 April in one year and ending on 5 April in the next year,
- (b) the period beginning on 6 April 2001 and ending on 31 December 2001, which period is referred to as the 'year of assessment 2001', and
- (c) thereafter, a calendar year and, accordingly, the 'year of assessment 2002' means the year beginning on 1 January 2002 and any corresponding expression in which a subsequent year of assessment is similarly mentioned means the year beginning on 1 January in that year;”

(b) in section 5(1), by the substitution of the following for the definition of "year of assessment":

“‘year of assessment’ means—

- (a) in relation to a period prior to 6 April 2001, a year beginning on 6 April in one year and ending on 5 April in the next year,
- (b) the period beginning on 6 April 2001 and ending on 31 December 2001, which period is referred to as the 'year of assessment 2001', and
- (c) thereafter, a calendar year and, accordingly, the 'year of assessment 2002' means the year beginning on 1 January 2002 and any corresponding expression in which a subsequent year of assessment is similarly mentioned means the year beginning on 1 January in that year;”

and

(c) in section 14, by the substitution of the following for subsection (2):

“(2) Every assessment and charge to income tax shall be made for a year of assessment.”.

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(2) The Principal Act is amended in the manner and to the extent specified in *Schedule 2*. Pr.1 S.77

78.—(1) Part 41 of the Principal Act is amended as respects the year of assessment 2001 and subsequent years (being years of assessment for income tax and capital gains tax) and as respects accounting periods of companies ending on or after 1 April 2001—

Provisions relating to making of returns of income and chargeable gains and payment of income tax and capital gains tax.

(a) in section 950(1)—

(i) by the substitution for paragraph (a) of the definition of “chargeable person” of the following:

“(a) whose total income for the chargeable period consists solely of emoluments to which Chapter 4 of Part 42 applies, and for this purpose a person whose total income for the chargeable period, other than emoluments to which that Chapter applies, is taken into account in determining in accordance with regulations made under section 986 the amount of his or her tax credits and standard rate cut-off point for the chargeable period shall be deemed for the chargeable period to be a person whose total income consists solely of emoluments to which that Chapter applies,”

and

(ii) by the substitution for paragraph (a) of the definition of “specified return date for the chargeable period” of the following:

“(a) where the chargeable period is a year of assessment for income tax or capital gains tax purposes, 31 October in the year of assessment following that year,”

(b) in section 951—

(i) in subsection (1)—

(I) by the substitution for “Every chargeable person shall as respects a chargeable period prepare and deliver to the appropriate inspector” of the following:

“Every chargeable person shall as respects a chargeable period prepare and deliver to, in the case of a chargeable person who is chargeable to income tax or capital gains tax for a chargeable period which is a year of assessment, the Collector-General and, in any other case, the appropriate inspector”

and

- (II) by the insertion after “such further particulars” of “(including particulars relating to the preceding year of assessment where the profits or gains of that preceding year are determined in accordance with section 65(3))”,
- (ii) in subsection (2) by the substitution for “appropriate inspector” of “Collector-General” and for “the inspector” of “the appropriate inspector”,
- (iii) in subsection (3)(a) by the substitution for “an inspector” of “the Collector-General or an inspector, as the case may be”,
- (iv) in subsection (4) by the substitution for “appropriate inspector” of “the Collector-General or the appropriate inspector, as the case may be,” and
- (v) in subsection (10)—
- (I) by the substitution for “an inspector” in both places in which it occurs of “an officer of the Revenue Commissioners”, and
- (II) by the substitution for “that inspector” of “such officer”,
- (c) in section 952—
- (i) by the deletion of subsection (3),
- (ii) by the insertion after subsection (5) of the following:
- “(6) This section shall not apply to capital gains tax.”,
- (d) in section 953 by the deletion of subsections (1) to (6) and subsections (8) to (11),
- (e) in section 957(1) by the deletion of paragraph (a),
- (f) in section 958—
- (i) in subsection (1) by the deletion of the definition of “specified due date”,
- (ii) by the substitution for subsections (2) to (4) of the following:
- “(2) Preliminary tax appropriate to a chargeable period shall be due and payable—
- (a) where the chargeable period is a year of assessment for income tax and subject to subsection (10), on or before 31 October in the year of assessment, or
- (b) where the chargeable period is an accounting period of a company, within the period of 6 months from the end of the accounting period; but in any case not later than—

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- (i) day 28 of the month in which that period of 6 months ends, or
- (ii) such earlier day in that month as may be specified by order made by the Minister for Finance,

and accordingly references in this Part to the due date for the payment of an amount of preliminary tax shall be construed as references to 31 October in the year of assessment, the last day of that period of 6 months, or day 28 (or such earlier day as may be specified by order made by the Minister for Finance) of the month in which that period of 6 months ends, as the case may be.

(3) (a) Subject to subsections (3A) and (4), tax payable by a chargeable person for a chargeable period shall be due and payable—

(i) where an assessment is made on the chargeable person for the chargeable period before the due date for the payment of an amount of preliminary tax for the chargeable period, on or before that date,

(ii) where an assessment is made on the chargeable person for the chargeable period before the specified return date for the chargeable period and the chargeable period is a year of assessment for income tax or capital gains tax, on or before that date,

(iii) where an assessment has not been made on the chargeable person for the chargeable period, being a year of assessment for income tax or capital gains tax, on or before the specified return date for the chargeable period, or

(iv) where the chargeable period is an accounting period of a company, not later than one month from the date on which an assessment is made on the chargeable person for the chargeable period.

(b) Where in relation to a chargeable period, being a year of assessment for income tax or capital gains tax, tax payable by a chargeable person for

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the year of assessment is due and payable in accordance with paragraph (a)(iii), then, tax specified in any subsequent assessment made on the chargeable person for that year shall be deemed to have been due and payable on or before the specified return date for the chargeable period.

(3A) Subject to subsection (3), where—

(a) an assessment to tax has not been made on a chargeable person on or before the specified return date for a chargeable period (being a year of assessment for income tax or capital gains tax), and

(b) the chargeable person has—

(i) delivered a return for the year of assessment by the specified return date for the chargeable period,

(ii) made in the return a full and true disclosure of all material facts necessary for the making of a correct assessment for the year of assessment, and

(iii) paid an amount of tax for the year of assessment on or before the specified return date, being an amount which is less than the tax payable by the chargeable person for the year of assessment by not more than the greater of—

(I) 5 per cent of the tax payable by that person for that year or £2,500, whichever is the lesser, and

(II) £500,

then, subject to subsection (8), any additional tax payable by the chargeable person for that year shall be due and payable on or before 31 December in the following year of assessment.

(4) Where but for this subsection tax payable by a chargeable person for a chargeable period would be due and payable in accordance with subsection (3), other than paragraph (a)(i) of that subsection, and—

(a) the chargeable person has defaulted in the payment of preliminary tax for the chargeable period,

- (b) the preliminary tax paid by the chargeable person for the chargeable period is less than, or less than the least of, as the case may be— Pr.1 S.78
- (i) 90 per cent of the tax payable by the chargeable person for the chargeable period,
 - (ii) (I) where the chargeable period is a year of assessment other than the year of assessment 2001 or 2002, the income tax payable by the chargeable person for the preceding chargeable period,
 - (II) where the chargeable period is the year of assessment 2002, 135 per cent of the income tax payable by the chargeable person for the preceding chargeable period,
 - (III) where the chargeable period is the year of assessment 2001, 74 per cent of the income tax payable by the chargeable person for the preceding chargeable period,
 - (iii) in the case of a chargeable person to whom subsection (10) applies (other than a chargeable person in relation to whom the amount of income tax payable, or taken in accordance with subsection (5)(a) to be payable, for the pre-preceding chargeable period was nil)—
 - (I) where the chargeable period is a year of assessment other than the year of assessment 2001 or 2003, 105 per cent of the income tax payable by the chargeable person for the pre-preceding chargeable period,
 - (II) where the chargeable period is the year of assessment 2003, 142 per cent of the income tax payable by the chargeable person for the pre-preceding chargeable period,
 - (III) where the chargeable period is the year of assessment 2001, 78 per cent of the income tax payable by the chargeable person for the

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pre-preceding chargeable
period,

or

- (c) the preliminary tax payable by the chargeable person for the chargeable period was not paid by the date on which it was due and payable,

the tax payable by the chargeable person shall be deemed to have been due and payable on the due date for the payment of an amount of preliminary tax for the chargeable period.

(4A) Where—

- (a) after the due date for the payment of an amount of preliminary tax for a chargeable period (being a year of assessment for income tax), an amount of additional income tax to which subsection (3A) applies is paid for the preceding chargeable period, and
- (b) an additional amount of preliminary tax (which is not more than the additional amount of income tax so paid) is paid on or before 31 December in the year of assessment such that the total amount of preliminary tax paid by the chargeable person for the chargeable period is not less than the amount specified in subsection (4)(b)(ii),

then, the additional amount of preliminary tax so paid shall be deemed for the purposes of subsection (4)(b)(ii) to have been paid on the due date for the payment of an amount of preliminary tax for the chargeable period.”,

(iii) by the insertion after subsection (8) of the following:

“(8A) (a) Where, in relation to a chargeable period being a year of assessment for income tax, the profits or gains of a corresponding period relating to the preceding year of assessment are taken to be the profits or gains of that preceding year of assessment in accordance with section 65(3), then, notwithstanding that the assessment for that preceding year of assessment has not been amended, any tax payable for that preceding year of assessment which exceeds the tax due and payable for that year without regard to the operation of section 65(3) shall be due and

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payable on or before the specified return date for the chargeable period. Pr.1 S.78

- (b) An amount of income tax to which paragraph (a) applies shall not be taken into account for the purposes of subsection (4).
- (c) Notwithstanding subsection (8), where, in relation to a chargeable period being a year of assessment for income tax, any additional tax for the preceding year of assessment is due and payable by virtue of an amendment of the assessment for that year made in accordance with section 65(3), then, such additional tax as specified in the amendment to the assessment for that year shall be deemed to have been due and payable on or before the specified return date for the chargeable period.”,

and

- (iv) by the substitution for subsection (10) of the following:

“(10) (a) This subsection shall apply to a chargeable person who authorises the Collector-General to collect preliminary tax by the debiting of the bank account of that person in accordance with paragraph (b) and complies with such conditions as the Collector-General may reasonably impose to ensure that an amount of preliminary tax payable by a chargeable person for a chargeable period will be paid by the chargeable person in accordance with this subsection.

- (b) Preliminary tax appropriate to a chargeable period where the chargeable period is a year of assessment for income tax shall be due and payable in the case of a chargeable person to whom this subsection applies—

- (i) as respects the first year of assessment for which the Collector-General is authorised in accordance with paragraph (a) to debit that person’s bank account, by way of a minimum of 3

equal monthly instalments
in that year, and

- (ii) as respects any subsequent year of assessment in which the Collector-General is so authorised, by way of a minimum of 8 equal monthly instalments in that year,

and the Collector-General shall debit the bank account of that person with such instalments on day 9 of each month for which the Collector-General is so authorised.

- (c) The Collector-General may, in any particular case, in order to facilitate the payment of preliminary tax in accordance with this subsection, agree at the Collector-General's discretion to vary the number of equal monthly instalments to be collected in a year or agree at the Collector-General's discretion to an increase or decrease in the amount to be collected in any subsequent instalment to be made in that year.
- (d) A chargeable person shall not be treated as having paid an amount of preliminary tax in accordance with this subsection unless that person pays in the year of assessment the monthly instalments due in accordance with paragraph (b) or (c), as appropriate.
- (e) For the purposes of this section, a chargeable person who pays an amount of preliminary tax appropriate to a chargeable period in accordance with this subsection shall be deemed to have paid that amount of preliminary tax on the due date for the payment of an amount of preliminary tax for the chargeable period.”,

and

- (g) in section 959 by the deletion from subsection (2) of “a notice of preliminary tax bearing the name of the inspector or” and “that notice of preliminary tax shall for the purposes of the Tax Acts and the Capital Gains Tax Acts be deemed to have been given by the inspector to the best of his or her opinion.”,

(2) The Principal Act is amended as respects the year of assessment 2001 and subsequent years (being years of assessment for income tax and capital gains tax) and as respects accounting periods of companies ending on or after 1 April 2001—

[2001.]

Finance Act, 2001.

[*No. 7.*]

- (a) by the substitution in section 66(3) for “on giving notice in writing to the inspector with the return required under section 951 for the year of assessment” of “on including a claim in that behalf with the return required under section 951 for the year of assessment”, Pr.1 S.78
- (b) by the substitution in section 579D(1) and in the definition of “specified period” in section 629(1) for “when a return under section 951 for the chargeable period is delivered to the appropriate inspector (within the meaning of section 950)” of “when a return under section 951 for the chargeable period is delivered to the Collector-General”,
- (c) by the substitution in section 657(7) for “by notice in writing given to the inspector with the return required under section 951 for the year of assessment” of “on including a claim in that behalf with the return required under section 951 for the year of assessment”,
- (d) by the substitution in paragraph (b) of the definition of “appropriate inspector” in section 894(1) for “a return or statement of income or profits” of “any return, statement, list or declaration”,
- (e) by the substitution in paragraph (a) of the definition of “appropriate inspector” in section 895(1) for “to deliver a return or statement of income or profits” of “to deliver a return, statement, declaration or list by reason of a notice given to the person by the inspector”,
- (f) by the substitution in paragraph (b) of the definition of “appropriate inspector” in section 895(1) for “such return or statement” of “such return, statement, declaration or list”,
- (g) by the substitution in section 909(2) for “to deliver a tax return to an inspector of taxes or to the inspector of returns (within the meaning of section 951(11)), as the case may be, the inspector” of “to deliver a tax return, an inspector of taxes or the inspector of returns (within the meaning of section 951(11)), as the case may be,”, and
- (h) by the substitution in section 1084 for subsection (5) of the following:

“(5) This section shall apply in relation to an amount of preliminary tax (within the meaning of Part 41) paid under section 952 as it applies to an amount of tax specified in an assessment.”.

(3) Section 958 of the Principal Act is amended, as respects the year of assessment 2002 and subsequent years, by the substitution in subsection (3A)(b)(iii) (inserted by *subsection (1)(f)(ii)*) for “£2,500” of “€3,175” and for “£500” of “€635”.

79.—The Principal Act is amended—

(a) in section 9(1)—

- (i) by the substitution in paragraph (c) for “company.” of “company,”, and

Amendment of provisions relating to Dublin Docklands Development Authority.

(ii) by the insertion of the following after paragraph (c):

“(d) a ‘wholly-owned subsidiary’ of another company if and so long as 100 per cent of its ordinary share capital is directly owned by that other company.”,

(b) as respects accounting periods ending on or after 6 April 2001, in paragraph 3 of the Table to section 220 by the substitution for “Authority.” of “Authority and any of its wholly-owned subsidiaries.”, and

(c) as respects disposals made on or after 6 April 2001, in paragraph 31 of Schedule 15 by the substitution for “Authority.” of “Authority and any of its wholly-owned subsidiaries.”.

Amendment of Chapter 10 (designated areas of certain towns) of Part 10 of Principal Act.

80.—(1) Chapter 10 of Part 10 of the Principal Act is amended—

(a) in section 372AA(1), by the substitution in the definition of “qualifying period” of “31 December 2003” for “31 March 2003”,

(b) in section 372AB(1)(c), by the substitution of “31 December 2003” for “31 March 2003”,

(c) in section 372AF(1), by the substitution in paragraph (b) of the definition of “qualifying premises” of “150 square metres” for “125 square metres”,

(d) in section 372AG(1), by the substitution in paragraph (b) of the definition of “qualifying premises” of “150 square metres” for “125 square metres”,

(e) in section 372AH(1), by the substitution for paragraph (d) of the definition of “qualifying premises” of the following:

“(d) the total floor area of which is not less than 38 square metres and not more than—

(i) in the case where the qualifying expenditure has been incurred on the construction of the qualifying premises, 125 square metres, or

(ii) in the case where the qualifying expenditure has been incurred on the refurbishment of the qualifying premises, 210 square metres;”,

and

(f) in section 372AJ(1), by the insertion after paragraph (a) of the following:

“(aa) in respect of expenditure incurred on or after 6 April 2001 on the construction or refurbishment of a building or structure or a qualifying premises where any part of such expenditure has been or is to be met, directly or

[2001.]

Finance Act, 2001.

[*No. 7.*]

indirectly, by grant assistance from the State Pr.1 S.80
or from any other person,

(*ab*) in respect of expenditure incurred on or after 6 April 2001 on the construction or refurbishment of a building or structure or a qualifying premises unless the relevant interest, within the meaning of section 269, in such expenditure is held by a small or medium-sized enterprise within the meaning of Annex I to Commission Regulation (EC) No. 70/2001 of 12 January 2001¹,

(*ac*) in respect of expenditure incurred on or after 6 April 2001 on the refurbishment of a building or structure or a qualifying premises unless—

(i) such expenditure does not exceed €800,000,

(ii) such expenditure is incurred on a building or structure or qualifying premises in use for the purposes of the retailing of goods or the provision of services only within the State but excluding any building or structure or qualifying premises in use—

(I) as offices, or

(II) for the provision of mail order or financial services,

or

(iii) in conjunction with such expenditure, expenditure on the construction of an extension to the building or structure or qualifying premises is incurred which amounts to not less than 25 per cent of the market value of the building or structure or qualifying premises, as the case may be, immediately before the expenditure on the construction and refurbishment of the building or structure or qualifying premises was incurred.”.

(2) Paragraphs (*c*), (*d*) and (*e*) of subsection (1) shall apply as respects expenditure incurred on or after 6 April 2001, being expenditure which is—

(*a*) conversion expenditure within the meaning of section 372AF,

(*b*) relevant expenditure within the meaning of section 372AG,
or

(*c*) qualifying expenditure within the meaning of section 372AH,

as the case may be.

¹ O.J. No. L10 of 13 January 2001, p.33

Pt.1

Capital allowances
for hotels.

81.—Section 268 of the Principal Act is amended by the insertion of the following after subsection (10):

“(11) Notwithstanding any other provision of this section, as respects capital expenditure incurred on or after 20 March 2001, a building or structure in use for the purposes of the trade of hotel-keeping shall not be treated as an industrial building or structure where any part of that expenditure has been or is to be met, directly or indirectly, by grant assistance from the State or from any other person.

(12) Notwithstanding any other provision of this section, as respects capital expenditure incurred on the construction or refurbishment of a building or structure in respect of which construction or refurbishment first commences on or after 6 April 2001, a building or structure in use for the purposes of the trade of hotel-keeping shall not be treated as an industrial building or structure unless, on the making of an application by the person who incurs the capital expenditure on the construction or refurbishment of the building or structure, Bord Fáilte Éireann gives a certificate in writing to that person, in relation to that expenditure, stating—

- (a) that sufficient information has been furnished to it as to enable a determination to be made as to whether or not that person is a small or medium-sized enterprise within the meaning of Annex 1 to Commission Regulation (EC) No. 70/2001 of 12 January 2001¹ on the application of Articles 87 and 88 of the European Communities Treaty to State aid to small and medium-sized enterprises, and
- (b) that such person has undertaken to furnish to the Minister for Finance, or to such other Government Minister, agency or body as may be nominated for that purpose by the Minister for Finance, upon request in writing by that Minister, agency or body, such further information as may be necessary to enable compliance with the reporting requirements of that Regulation or any other European Communities Regulation or Directive under the European Communities Treaty governing the granting of State aid in specific sectors.”.

CHAPTER 4

*Corporation Tax*Amendment of
provisions relating
to a shipping trade.

82.—(1) The Principal Act is amended—

- (a) in section 21 by the insertion after subsection (1) of the following:

“(1A) (a) In this subsection—

‘qualifying shipping activities’ and ‘qualifying shipping trade’ have the same meanings respectively as in section 407;

- (b) Notwithstanding subsection (1), for the financial year 2001 and 2002, in relation to

¹ O.J. No. L10 of 13 January 2001, p.33

[2001.]

Finance Act, 2001.

[No. 7.]

a company carrying on a qualifying shipping trade, profits from qualifying shipping activities carried on in the course of the qualifying shipping trade shall be charged to corporation tax at the rate of $12\frac{1}{2}$ per cent.”, Pr.1 S.82

and

(b) in section 407(1) in the definition of “relevant period” by the substitution of “1 January 1987 to 31 December 2002” for “the 1st day of January, 1987, to the 31st day of December, 2000”.

(2) This section applies as on and from 1 January 2001.

83.—(1) Section 22A of the Principal Act is amended—

Amendment of section 22A (reduction of corporation tax in respect of certain trading income) of Principal Act.

(a) in subsection (2)(b) by the substitution of the following for paragraphs (i) to (iii)—

“(i) as respects an accounting period falling within the financial year 2001, 30 per cent, and

(ii) as respects an accounting period falling within the financial year, 2002, 14 per cent,”

and

(b) in subsection (3) by the substitution of—

(i) as respects the financial year 2001 “£200,000” for “£50,000” and “£250,000” for “£75,000”, and

(ii) as respects the financial year 2002 “€254,000” for “£50,000” and “€317,500” for “£75,000”,

in both places where they each occur.

(2) This section has effect as respects the financial year 2001 and subsequent financial years.

84.—(1) The Principal Act is amended by the insertion of the following after section 87:

Foundation for Investing in Communities.

“Deductions for gifts to Foundation for Investing in Communities.

87A.—(1) In this section, ‘the Company’ means the company incorporated on 11 November 1998 as The Foundation for Investing in Communities Limited or any of its 90 per cent subsidiaries as may be approved for the purposes of this section by the Minister for Finance.

(2) This section shall apply to a gift of money which—

(a) on or before 5 April 2001 is made to the Company and accepted by it,

- (b) is to be applied by the Company solely for the objects set out in its memorandum of association,
- (c) apart from subsection (3), would not be deductible in computing for the purposes of corporation tax the profits or gains of a trade or profession, and
- (d) is not income to which section 792 applies.
- (3) (a) Subject to paragraph (b) and subsection (2), where a company (in this section referred to as a 'donor') makes a gift to which this section applies and claims relief from tax by reference to the gift, the net amount of the gift shall be treated for the purposes of corporation tax as—
- (i) a deductible trading expense of a trade carried on by the donor, or
 - (ii) an expense of management deductible in computing the total profits of the donor,
- incurred by it in the accounting period in which the gift is made.
- (b) In determining for the purposes of paragraph (a) the net amount of the gift, the amount or value of any consideration received by a donor as a result of making the gift, whether received directly or indirectly from the Company or any other person, shall be deducted from the amount of the gift, and relief under this section shall not be given to a donor for an accounting period—
- (i) if the net amount of the gift (or the aggregate of the net amounts of gifts) made by the donor in that accounting period, being a gift or gifts, as the case may be, to which this section applies, does not exceed £500,
 - (ii) if at the time a donor makes a gift to which this section applies the aggregate of the net amounts of all gifts to which this section applies exceeds £5,000,000.

[2001.]

Finance Act, 2001.

[No. 7.]

(4) A claim under this section shall be made with the return required to be delivered under section 951 for the accounting period in which the payment is made. Pr.1 S.84

(5) Where a donor makes a gift in respect of which relief is not to be given by virtue of subsection (3)(b)(ii), the Company shall, by notice in writing given to the donor within 30 days of the making of the gift, advise the donor accordingly.

(6) Where a gift to which this section applies is made by a donor in an accounting period of the donor which is less than 12 months, the amount specified in subsection (3)(b)(i) shall be proportionately reduced.”.

(2) *Subsection (1)* shall be deemed to have had effect from 1 August 2000.

(3) Section 87A (inserted by this section) of the Principal Act is repealed with effect from 6 April 2001.

85.—(1) Section 130 of the Principal Act is amended by the insertion after subsection (2) of the following:

Amendment of section 130 (matters to be treated as distributions) of Principal Act.

“(2A) For the purposes of subsection (2)(d)(iii)(I), the consideration given by the company for the use of the principal received shall not be treated as being to any extent dependent on the results of the company’s business or any part of the company’s business by reason only of the fact that the terms (however expressed) of the security provide—

(a) for the consideration to be reduced in the event of the results improving, or

(b) for the consideration to be increased in the event of the results deteriorating.”.

(2) This section applies to payments made on or after 15 February 2001.

86.—Section 222 of the Principal Act is amended in subsection (1)(a) in paragraph (i) of the definition of “relevant dividends” by the substitution of “specified in a certificate given before 15 February 2001 by the Minister” for “specified in a certificate given by the Minister”.

Amendment of section 222 (certain dividends from a non-resident subsidiary) of Principal Act.

87.—Chapter 2 of Part 14 of the Principal Act is amended by the substitution for section 452 of the following:

Amendment of Chapter 2 of Part 14 of Principal Act.

“Application of section 130 to certain interest.

452.—(1) (a) In this section—

‘arrangements’ means arrangements having the force of law by virtue of section 826;

‘relevant territory’ means—

(i) a Member State of the

European Communi-
ties other than the
State, or

- (ii) not being such a Mem-
ber State, a territory
with the government
of which arrange-
ments have been
made;

‘qualified company’ and ‘rel-
evant trading operations’ have
the same meanings as they
have for the purposes of
sections 445 and 446, but trad-
ing operations shall not be
treated as relevant trading
operations (within the mean-
ing of section 445) if they are
not trading operations which
could be certified by the Mini-
ster for Finance as relevant
trading operations for the pur-
poses of section 446 if they
were carried on in the area
(within the meaning of section
446) rather than the airport
(within the meaning of section
445);

‘tax’, in relation to a relevant
territory, means any tax
imposed in that territory
which corresponds to corpor-
ation tax in the State.

- (b) For the purposes of this
section, a company shall be
regarded as being a resi-
dent of a relevant territory
if—

- (i) in a case where the
relevant territory is a
territory with the
government of which
arrangements have
been made, the com-
pany is regarded as
being a resident of
that territory under
those arrangements,
and

- (ii) in any other case, the
company is by virtue
of the law of the rel-
evant territory resi-
dent for the purposes
of tax in that territory.

[2001.]

Finance Act, 2001.

[*No. 7.*]

(2) (a) This paragraph shall apply to so much of any interest as—

(i) is a distribution by virtue only of section 130(2)(d)(iv),

(ii) is payable by a company in the ordinary course of a trade carried on by that company and would, but for section 130(2)(d)(iv), be deductible as a trading expense in computing the amount of the company's income from the trade, and

(iii) is interest payable to a company which is a resident of a relevant territory.

(b) Where a company proves that paragraph (a) applies to any interest payable by it for an accounting period and elects to have that interest treated as not being a distribution for the purposes of section 130(2)(d)(iv), then, section 130(2)(d)(iv) shall not apply to that interest.

(3) (a) This paragraph shall apply to so much of any interest as—

(i) is a distribution by virtue only of section 130(2)(d)(iv),

(ii) is payable by a qualified company in the course of carrying on relevant trading operations and would but for section 130(2)(d)(iv) be deductible as a trading expense in computing the amount of the company's income from the relevant trading operations, and

(iii) represents no more than a reasonable commercial return for the use of the principal in respect of which the interest is paid by the qualified company.

(b) Where a qualified company proves that paragraph (a) applies to any interest payable by it for an accounting period and elects to have that interest treated as not being a distribution for the purposes of section 130(2)(d)(iv), then, section 130(2)(d)(iv) shall not apply to that interest.

[No. 7.]

Finance Act, 2001.

[2001.]

PT.1 S.87

(4) An election under subsection (2)(b) or (3)(b) in relation to interest payable by a company for an accounting period shall be made in writing to the inspector and furnished together with the company's return of its profits for the period."

Amendment of Part 36 of Principal Act.

88.—Part 36 of the Principal Act is amended by the insertion after section 845 of the following:

“Non-application of section 130 in the case of certain interest paid by banks.

845A.—(1) In this section, ‘bank’ means—

- (a) a person who is a holder of a licence granted under section 9 of the Central Bank Act, 1971, or
- (b) a person who holds a licence or other similar authorisation under the law of any other Member State of the European Communities which corresponds to a licence granted under the said section 9.

(2) This subsection shall apply to so much of any interest as—

- (a) is a distribution by virtue only of section 130(2)(d)(iv),
- (b) is payable by a bank carrying on a bona fide banking business in the State and would but for section 130(2)(d)(iv) be deductible as a trading expense in computing the amount of the bank's income from its banking business, and
- (c) represents no more than a reasonable commercial return for the use of the principal in respect of which the interest is paid by the bank.

(3) Where a bank proves that subsection (2) applies to any interest payable by it for an accounting period and elects to have that interest treated as not being a distribution for the purposes of section 130(2)(d)(iv), then, section 130(2)(d)(iv) shall not apply to that interest.

(4) An election under subsection (3) in relation to interest payable by a bank for an accounting period shall be made in writing to the inspector together with the bank's return of its profits for the period."

[2001.]

Finance Act, 2001.

[No. 7.]

89.—Section 847 of the Principal Act is amended in subsection (1) in the definition of “qualified company” by the substitution of “has before 15 February 2001 given a certificate” for “has given a certificate”.

Pr.1
Amendment of section 847 (tax relief for certain branch profits) of Principal Act.

90.—(1) The Principal Act is amended—

Restriction of certain losses and charges.

(a) in Part 8 by the insertion after section 243 of the following:

“Restriction of relevant charges on income.

243A.—(1) In this section—

‘relevant trading charges on income’, in relation to an accounting period of a company, means the charges on income paid by the company in the accounting period wholly and exclusively for the purposes of a trade carried on by the company, other than so much of those charges as are charges on income paid for the purposes of an excepted trade within the meaning of section 21A;

‘relevant trading income’, in relation to an accounting period of a company, means the trading income of the company for the accounting period (not being income chargeable to tax under Case III of Schedule D) other than so much of that income as is income of an excepted trade within the meaning of section 21A.

(2) Notwithstanding section 243, relevant trading charges on income paid by a company in an accounting period shall not be allowed as deductions against the total profits of the company for the accounting period.

(3) Subject to section 454, where a company pays relevant trading charges on income in an accounting period and, apart from subsection (2), those charges would be allowed as deductions against the total profits of the company for the accounting period, those charges shall be allowed as deductions against—

(a) income specified in section 21A(4)(b),
and

(b) relevant trading income,

of the company for the accounting period as reduced by any amount set off against that income under section 396A.”,

(b) in Part 12—

(i) by the insertion after section 396 of the following section:

“Relief for relevant trading losses.

396A.—(1) In this section—

‘relevant trading income’ has the same meaning as in section 243A;

‘relevant trading loss’, in relation to an accounting period of a company, means a loss incurred in the accounting period in a trade carried on by the company, other than so much of the loss as is a loss incurred in an excepted trade within the meaning of section 21A.

(2) Notwithstanding subsection (2) of section 396, for the purposes of that subsection the amount of a loss in a trade incurred by a company in an accounting period shall be deemed to be reduced by the amount of a relevant trading loss incurred by the company in the accounting period.

(3) Subject to section 455, where in an accounting period a company carrying on a trade incurs a relevant trading loss, the company may make a claim requiring that the loss be set off for the purposes of corporation tax against income of the company, being—

(a) income specified in section 21A(4)(b),
and

(b) relevant trading income,

of that accounting period and, if the company was then carrying on the trade and if the claim so requires, of preceding accounting periods ending within the time specified in subsection (4), and subject to that subsection and any relief for an earlier relevant trading loss, to the extent that the income of any of those accounting periods consists of or includes income specified in section 21A(4)(b) or relevant trading income, that income shall then be reduced by the amount of the relevant trading loss or by so much of that amount as cannot be relieved against income of a later accounting period.

(4) For the purposes of subsection (3), the time referred to in paragraph (b) of that subsection shall be the time immediately preceding the accounting period first mentioned in subsection (3) equal in length to that accounting period; but the amount of the reduction which may be made under subsection (3) in the relevant trading income of an accounting period falling partly before that time shall not exceed such part of that relevant trading income as bears to the whole of the relevant trading income the same proportion as the part of the accounting period falling within that time bears to the whole of that accounting period.”,

and

(ii) by the insertion after section 420 of the following:

[2001.]

“Group relief:
relevant losses and
charges.

Finance Act, 2001.

[*No. 7.*]

420A.—(1) In this section—

Pr.1 S.90

‘relevant trading charges on income’ and ‘relevant trading income’ have the same meanings, respectively, as in section 243A;

‘relevant trading loss’ has the same meaning as in section 396A.

(2) Notwithstanding subsections (1) and (6) of section 420 and section 421, where in any accounting period the surrendering company incurs a relevant trading loss or an excess of relevant trading charges on income, that loss or excess may not be set off for the purposes of corporation tax against the total profits of the claimant company for its corresponding accounting period.

(3) (a) Subject to section 456, where in any accounting period the surrendering company incurs a relevant trading loss, computed as for the purposes of section 396(2), or an excess of relevant trading charges on income in carrying on a trade in respect of which the company is within the charge to corporation tax, that loss or excess may be set off for the purposes of corporation tax against—

(i) income specified in section 21A(4)(b), and

(ii) relevant trading income,

of the claimant company for its corresponding accounting period as reduced by any amounts allowed as deductions against that income under section 243A or set off against that income under section 396A.

(b) Paragraph (a) shall not apply—

(i) to so much of a loss as is excluded from section 396(2) by section 396(4) or 663, or

(ii) so as to reduce the profits of a claimant company which carries on life business (within the meaning of section 706) by an amount greater than the amount of such profits (before a set off under this subsection) computed in accordance with Case 1 of Schedule D and section 710(1).

(4) Group relief allowed under subsection (3) shall reduce the income from a trade of the claimant company for an accounting period—

[No. 7.]

Finance Act, 2001. [2001.]

- (a) before relief granted under section 397 in respect of a loss incurred in a succeeding accounting period or periods, and
- (b) after the relief granted under section 396 in respect of a loss incurred in a preceding accounting period or periods.

(5) For the purposes of this section in the case of a claim made by a company as a member of a consortium, only a fraction of a relevant trading loss or an excess of relevant trading charges on income may be set off, and that fraction shall be equal to that member's share in the consortium, subject to any further reduction under section 422(2).”,

and

(c) in Chapter 2 of Part 14—

(i) in section 448—

(I) by the substitution of the following for subsections (3) and (4):

“(3) For the purposes of subsection (2), the ‘income from the sale of those goods’ shall be the amount determined by—

(a) firstly, calculating such sum (in this subsection referred to as the ‘relevant sum’) as bears to the amount of the company's income for the relevant accounting period from the sale in the course of the trade mentioned in that subsection of goods and merchandise the same proportion as the amount receivable by the company in the relevant accounting period from the sale in the course of the trade of goods bears to the total amount receivable by the company in the relevant accounting period from the sale in the course of the trade of goods and merchandise, and

(b) then, deducting from the relevant sum—

(i) the amount of any relief for charges allowed under section 454,

(ii) the amount of any relief for a loss in a trade allowed under section 455, and

(iii) the amount of any group relief allowed under section 456,

[2001.]

Finance Act, 2001.

[*No. 7.*]

against income of the trade in the Pr.1 S.90
relevant accounting period.

(4) For the purposes of subsection (3), the 'company's income for the relevant accounting period from the sale in the course of the trade mentioned in that subsection of goods and merchandise' shall be determined as an amount equal to—

- (a) in any case where the income from the trade is derived solely from sales of goods and merchandise, the amount of the company's income from the trade, and
- (b) in any other case, such amount of the income from the trade as appears to the inspector or on appeal to the Appeal Commissioners to be just and reasonable,

but shall be so determined as if—

- (i) no relief for charges had been claimed under section 243A or 454,
- (ii) no relief for a loss in a trade had been claimed under section 396A or 455, and
- (iii) no group relief had been allowed under section 420A or 456,

for the relevant accounting period.”,

and

(II) by the substitution of the following for subparagraph (i) of subsection (5A)(b):

“(i) by any amounts allowed under sections 243A, 396A, 420A, 454, 455 and 456, and”,

(ii) by the substitution in section 454 for subsections (2) and (3) of the following:

“(2) Notwithstanding sections 243 and 243A, charges on income paid for the purposes of the sale of goods by a company in a relevant accounting period in the course of a trade or trades, as the case may be, shall not be allowed as deductions against the total profits, or against the relevant trading income, of the company for the relevant accounting period.

(3) Charges on income paid for the purposes of the sale of goods by a company in a relevant accounting period which charges on income would, apart from subsection (2) and section 243A(2), be allowed as deductions against the total profits of the

company for the accounting period, shall be allowed as deductions against the company's income from the sale of goods, as reduced by any amount set off under section 455, for the accounting period.”,

(iii) in section 455—

(I) in subsection (2) by the substitution of “Notwithstanding sections 396(2) and 396A(2) but subject to subsections (6) and (7), for the purposes of those sections” for “Notwithstanding section 396(2) but subject to subsections (6) and (7), for the purposes of that section”, and

(II) by the deletion of subsection (5),

(iv) in section 456—

(I) by the substitution for subsections (2) and (3) of the following:

“(2) Notwithstanding subsections (1) and (6) of section 420 and sections 420A(3) and 421, where in any relevant accounting period the surrendering company incurs a loss from the sale of goods or an excess of charges on income paid for the sale of goods, that loss or excess may not be set off for the purposes of corporation tax against the total profits, or against the relevant trading income, of the claimant company for its corresponding accounting period.

(2A) (a) Where in any relevant accounting period the surrendering company incurs a loss from the sale of goods or an excess of charges on income paid for the sale of goods, that loss or excess may be set off for the purposes of corporation tax against the income from the sale of goods of the claimant company for its corresponding accounting period, as reduced by any amounts—

(i) allowed as deductions against that income under section 454, or

(ii) set off against that income under section 455.

(b) Group relief allowed under paragraph (a) shall reduce the income from a trade of the claimant company for an accounting period—

(i) before relief granted under section 397 in respect of a loss incurred in a succeeding accounting period or periods, and

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(ii) after the relief granted under section 396 in respect of a loss incurred in a preceding accounting period or periods.”, Pr.1 S.90

and

(II) in subsection (5) by the deletion of paragraph (b),

and

(v) by the deletion of section 457.

(2) *Subsection (1)* applies as respects an accounting period ending on or after 6 March 2001.

(3) Sections 454, 455 and 456 shall cease to have effect as on and from 1 January 2003.

(4) For the purposes of this section—

(a) where an accounting period of a company begins before 6 March 2001 and ends on or after that date, it shall be divided into 2 parts, one beginning on the date on which the accounting period begins and ending on 5 March 2001 and the other beginning on 6 March 2001 and ending on the date on which the accounting period ends, and both parts shall be treated as if they were separate accounting periods of the company, and

(b) where an accounting period of a company begins before 1 January 2003 and ends on or after that date, it shall be divided into 2 parts, one beginning on the date on which the accounting period begins and ending on 31 December 2002 and the other beginning on 1 January 2003 and ending on the date on which the accounting period ends, and both parts shall be treated as if they were separate accounting periods of the company.

91.—(1) Section 434 of the Principal Act is amended—

Close company surcharges.

(a) in subsection (1)—

(i) by the substitution of the following for the definition of “distributable income”:

“ ‘distributable income’ means the aggregate of the amounts of the distributable trading income and distributable estate and investment income;”

(ii) by the insertion after the definition of “estate income” of the following:

“ ‘franked investment income’ excludes—

(a) a distribution made out of exempt profits within the meaning of section 140,

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(b) a distribution made out of disregarded income within the meaning of section 141 and to which subsection (3)(a) of that section applies, and

(c) a distribution made out of exempted income within the meaning of section 142;

‘income’ of a company for an accounting period means the income as computed in accordance with subsection (4);”,

and

(iii) by the insertion of the following after the definition of “investment income”:

“ ‘relevant charges’, in relation to an accounting period of a company, means charges on income paid in the accounting period by the company and which are allowed as deductions under section 243, other than so much of those charges as is paid for the purposes of an excepted trade within the meaning of section 21A;”,

(b) in subsection (4)—

(i) by the substitution of “The income” for “For the purposes of subsection (1), the income”, and

(ii) by the substitution of the following for paragraphs (g) and (h):

“(g) any amount which is an allowable deduction against relevant trading income by virtue of section 243A.”,

and

(c) by the substitution of the following for subsection (5):

“(5) (a) The estate and investment income of a company for an accounting period shall be the amount by which the sum of—

(i) the amount of franked investment income for the accounting period, and

(ii) an amount determined by applying to the amount of the income of the company for the accounting period the fraction $\frac{A}{B}$ where—

A is the aggregate of the amounts of estate income and investment income taken into account in computing the income of the company for the accounting period, and

B is the total amount of income so taken into account,

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exceeds the aggregate of—

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- (I) the amount of relevant charges, and
 - (II) the amount which is an allowable deduction in computing the total profits for the accounting period in respect of expenses of management by virtue of section 83(2).
- (b) The trading income of a company for an accounting period shall be the income of the company for the accounting period after deducting—
- (i) the estate and investment income of the company for the accounting period as computed in accordance with paragraph (a),
 - (ii) where the aggregate of the amounts specified in clauses (I) and (II) of paragraph (a) exceeds the sum of the amounts specified in subparagraphs (i) and (ii) of that paragraph, the amount of the excess, and
 - (iii) charges on income paid for the purposes of an excepted trade within the meaning of section 21A.
- (5A) (a) For the purposes of sections 440 and 441, but subject to paragraph (b)—

‘distributable estate and investment income’ of a company for an accounting period means the estate and investment income of the company for the accounting period after deducting the amount of corporation tax which would be payable by the company for the accounting period if the tax were computed on the basis of that income;

‘distributable trading income’ of a company for an accounting period means the trading income of the company for the accounting period after deducting the amount of corporation tax which, apart from sections 22A(2) and 448(2), would be payable by the company for the accounting period if the tax were computed on the basis of that income.

- (b) In the case of a trading company, the distributable estate and investment income for an accounting period shall be the amount determined in accordance with paragraph (a) reduced by 7.5 per cent.’’.

(2) Section 440 of the Principal Act is amended—

(a) in subsection (1)(a) by the substitution of “distributable estate and investment income” for “aggregate of the distributable investment income and distributable estate income”,

(b) by the insertion after subsection (2) of the following:

“(2A) For the purposes of subsection (2)(a), the accumulated undistributed income of a company at the end of an accounting period shall be the aggregate of the undistributed income of the company for accounting periods ending on or before the end of that period computed—

(a) in the case of any such accounting period which ended before 14 March 2001, in accordance with section 434 before amendment by the *Finance Act, 2001*, and

(b) in the case of any such accounting periods ending on or after 14 March 2001, in accordance with section 434 as amended by the *Finance Act, 2001*.”.

(3) Section 441 of the Principal Act is amended—

(a) in subsection (4)—

(i) in paragraph (a) by the substitution of the following for subparagraphs (i) and (ii)—

“(i) the distributable estate and investment income, and

(ii) 50 per cent of the distributable trading income,”

and

(ii) in paragraph (b)(iii) by the substitution of “distributable estate and investment income” for “aggregate of distributable investment income and the distributable estate income”,

and

(b) in subsection (6)(b)(ii) by the substitution of “‘distributable estate and investment income’ and ‘distributable trading income’” for “‘distributable income’, ‘distributable investment income’ and ‘distributable estate income’”.

(4) This section applies as respects an accounting period ending on or after 14 March 2001.

CHAPTER 5

Capital Gains Tax

Amendment of Chapter 6 (transfers of business assets) of Part 19 of Principal Act.

92.—(1) The Principal Act is amended in Chapter 6 of Part 19 by the insertion after section 600 of the following:

“Replacement of qualifying premises.

600A.—(1) In this section—

‘qualifying premises’, in relation to a person, means a building or part of a building, or an interest in a building or a part of a building—

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- (a) in which there is not less than 3 residential units, Pr.1 S.92
- (b) in respect of which the person is entitled to a rent or to receipts from any easement, and
- (c) in respect of which all the requirements of the Regulations are complied with;

‘Regulations’ means—

- (i) the Housing (Standards for Rented Houses) Regulations, 1993 (S.I. No. 147 of 1993),
- (ii) the Housing (Rent Books) Regulations, 1993 (S.I. No. 146 of 1993), and
- (iii) the Housing (Registration of Rented Houses) Regulations, 1996, as amended by the Housing (Registration of Rented Houses) (Amendment) Regulations, 2000 (S.I. No. 12 of 2000);

‘replacement premises’, in relation to a person, means a building or part of a building, or an interest in a building or a part of a building—

- (a) which the person acquires with the consideration obtained by the person from the disposal of a qualifying premises,
- (b) in which the number of residential units is not less than the number of residential units in the qualifying premises,
- (c) in respect of which the person is entitled to a rent or to receipts from any easement, and
- (d) in respect of which all the requirements of the Regulations are complied with;

‘residential unit’ means a separately contained part of a residential premises used or suitable for use as a dwelling.

- (2) (a) Where the consideration which a person obtains for the disposal of a qualifying premises, which was a qualifying premises throughout the period of its ownership by the person, is applied by that person in acquiring a replacement premises, then the person shall, subject

to paragraph (b), be treated for the purposes of the Capital Gains Tax Acts as if the chargeable gain accruing on the disposal of the qualifying premises did not accrue until—

- (i) that person disposes of the replacement premises, or
- (ii) the replacement premises ceases to be a replacement premises.

(b) Where the consideration for the disposal of the replacement premises is applied by a person in acquiring a further replacement premises then, the person shall be treated as if the chargeable gain accruing on the disposal of the qualifying premises did not accrue until that person disposes of the further replacement premises or any other further replacement premises which are acquired in a similar manner, or that further replacement premises or any other further replacement premises which are acquired in a similar manner, cease to be a replacement premises.

(3) Subsection (2) shall not apply if part only of the amount or value of the consideration for the disposal of the qualifying premises is applied as described in that subsection; but if all of the amount or value of the consideration except for a part which is less than the amount of the gain (whether all chargeable or not) accruing on the disposal of the qualifying premises is so applied, then, the person shall on making a claim in that behalf be treated for the purposes of the Capital Gains Tax Acts—

- (a) as if the amount of the gain accruing on the disposal of the qualifying premises were reduced to the amount of consideration not applied in the acquisition of the replacement premises (and if not all chargeable gain with a proportionate reduction in the amount of the chargeable gain), and
- (b) in respect of the balance of the gain or chargeable gain as if it did not accrue until that person disposes of the replacement premises or

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the replacement premises ceases to be a replacement premises. Pr.1 S.92

(4) A chargeable gain or the balance of a chargeable gain which under subsection (2) or (3), as may be appropriate, is treated as accruing on a date later than the date of the disposal on which it accrued shall not be so treated for the purposes of section 556.

(5) This section shall apply only if the acquisition of the replacement premises takes place, or an unconditional contract for the acquisition is entered into, in the period beginning 12 months before and ending 3 years after the disposal of the qualifying premises, or at such earlier or later time as the Revenue Commissioners may by notice in writing allow; but, where an unconditional contract for the acquisition is so entered into, this section may be applied on a provisional basis without waiting to ascertain whether the replacement premises is acquired in pursuance of the contract, and when that fact is ascertained all necessary adjustments shall be made by making assessments or by repayment or discharge of tax, and shall be so made notwithstanding any limitation in the Capital Gains Tax Acts on the time within which assessments may be made.

(6) This section shall not apply if the acquisition of the replacement premises was wholly or partly for the purpose of realising a gain from the disposal of the replacement premises.

(7) Where the qualifying premises was not a qualifying premises throughout the period of ownership of a person making a claim under this section, the section shall apply as if a part of the qualifying premises representing the period for which it was a qualifying premises was a separate asset, and this section shall apply in relation to that part subject to any necessary apportionments of consideration for an acquisition or disposal of the interest in the premises.

(8) Without prejudice to the provisions of the Capital Gains Tax Acts providing generally for apportionments, where consideration is given for the acquisition or disposal of assets some or part of which are assets in relation to which a claim under subsection (2) or (3) applies, and some or part of which are not, the consideration shall be apportioned in such manner as is just and reasonable.”.

(2) This section shall apply to disposals on or after 5 January 2001.

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Amendment of
Chapter 7 (other
reliefs and
exemptions) of Part
19 of Principal Act.

93.—(1) (a) The Principal Act is amended in Chapter 7 of Part 19 by the insertion after section 603 of the following:

“Disposal of site to child. 603A.—(1) This section applies to the disposal of land which at the date of disposal has a market value which does not exceed £200,000.

(2) Subject to this section, a chargeable gain shall not accrue on a disposal of land to which this section applies where the disposal—

(a) is by a parent to a child of the parent, and

(b) is for the purpose of enabling the child to construct a dwelling house on the land which dwelling house is to be occupied by the child as his or her only or main residence.

(3) Where a child—

(a) at any time disposes of the land or a part of the land referred to in subsection (2), other than to his or her spouse, and

(b) the land being disposed of does not contain a dwelling house which—

(i) was constructed by the child since the time of acquisition of the land, and

(ii) has been occupied by the child as his or her only or main residence for a period of 3 years,

the chargeable gain which, but for subsection (2), would have accrued on the disposal of that land to the child, shall be treated as accruing to the child at the time of the disposal referred to in paragraph (a).

(4) Where subsection (2) applies to a disposal of land by a parent to a child, it shall not apply to any such subsequent disposal to that child unless, by virtue of subsection (3), the full amount of the chargeable gain which, but for subsection (2) would have accrued to the parent, is treated as accruing to the child.”.

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(b) This subsection shall apply to disposals on or after 6 December 2000. Pr.1 S.93

(2) With effect from 1 January 2002, section 603A(1) of the Principal Act (as inserted by *subsection (1)*) is amended by the substitution for “£200,000” of “€254,000”.

94.—Section 649A(1) of the Principal Act is amended—

Amendment of section 649A (relevant disposals: rate of charge) of Principal Act.

(a) by the substitution for paragraphs (a) and (b) of the following:

“(a) in the case of a relevant disposal made in the period from 3 December 1997 to 30 November 1999, 40 per cent, and

(b) in the case of a relevant disposal made on or after 1 December 1999, 20 per cent.”,

and

(b) by the deletion of paragraph (c).

95.—(1) Section 652 of the Principal Act is amended by the substitution for subsection (5) of the following:

Amendment of section 652 (non-application of reliefs on replacement of assets in case of relevant disposals) of Principal Act.

“(5) (a) Subsection (4) shall not apply to a relevant disposal made to an authority possessing compulsory purchase powers where the disposal is made—

(i) for the purposes of enabling the authority to construct, widen or extend a road or part of a road, or

(ii) for a purpose connected with or ancillary to the construction, widening or extension of a road or part of a road by the authority.

(b) Where section 605 applies to a relevant disposal by virtue of this subsection that section shall be construed as if for subsection (4) of that section the following were substituted:

“(4) This section shall apply only if the acquisition of the replacement assets takes place, or an unconditional contract for the acquisition is entered into, in the period beginning 2 years before and ending 8 years after the disposal of the original assets, or at such earlier or later time as the Revenue Commissioners may by notice in writing allow; but, where an unconditional contract for the acquisition is so entered into, this section may be applied on a provisional basis without ascertaining whether the replacement assets are acquired in pursuance of the contract, and when that fact is ascertained all necessary adjustments shall be made by making assessments or by repayment or discharge of tax, and shall be so made notwithstanding any limitation in the Capital Gains Tax

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Acts on the time within which assessments may be made.’’.

(2) This section shall apply to relevant disposals made on or after 6 December 2000.

PART 2

EXCISE

Consolidation and Modernisation of General Excise Law

CHAPTER 1

Interpretation, Liability and Payment

Interpretation (*Part 2*).

96.—In this Part, except where the context otherwise requires or where otherwise provided—

“Appeal Commissioners” has the meaning assigned to it by section 850 of the Taxes Consolidation Act, 1997;

“authorised warehousekeeper” means a person authorised by the Commissioners to produce, process, hold, receive or dispatch in the course of his or her business, excisable products as defined in *section 97* under a suspension arrangement;

“Commissioners” means the Revenue Commissioners;

“Community” means the territory of the Community as defined by the Treaty establishing the European Community and, in particular, Article 299 of that Treaty except for the following national territories:

- (a) in the case of Germany, the Island of Heligoland and the territory of Büsingen,
- (b) in the case of Italy, Livigno, Campione d’Italia and the Italian waters of Lake Lugano,
- (c) in the case of the United Kingdom, the Channel Islands,
- (d) in the case of Greece, Mount Athos,
- (e) in the case of Spain, the Canary Islands, Ceuta and Melilla,
- (f) in the case of France, the overseas Departments of the Republic, and
- (g) in the case of Finland, the Åland Islands,

and, for the purposes of this Part, transactions originating in or intended for one of the following national territories are to be treated as originating in or intended for—

- (a) France, in the case of the Principality of Monaco;
- (b) Germany, in the case of Jungholz and Mittelberg (Kleines Walsertal);
- (c) the United Kingdom, in the case of the Isle of Man;
- (d) Italy, in the case of San Marino;

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“Directive” means Council Directive No. 92/12/EEC of 25 February 1992¹; Pr.2 S.96

“duty document” has the meaning assigned to it by *section 115(2)(c)*;

“exemption certificate” has the meaning assigned to it by *section 117(3)*;

“free warehouse” has the same meaning as it has in Article 166 of Council Regulation (EEC) No. 2913/92 of 12 October 1992²;

“free zone” has the same meaning as it has in Article 166 of Council Regulation (EEC) No. 2913/92 of 12 October 1992;

“information” includes any representation of fact, whether in legible form or otherwise;

“Member State” means a Member State of the Community;

“mineral oil” shall be construed in accordance with *paragraphs (g) and (h) of section 97(1)*;

“non-registered trader” means a person other than an authorised warehousekeeper or registered trader who may, in the course of his or her business, occasionally receive excisable products from another Member State, subject to compliance with conditions imposed by the Commissioners, under a suspension arrangement;

“non-State vendor” means a person who has his or her place of business in another Member State and who is authorised by the competent authorities of that Member State to sell excisable products which have already been released for consumption in that Member State to private individuals resident in the State for their own personal use, and who dispatches or transports such products directly or indirectly to such persons resident in the State;

“officer”, except in *Chapter 4*, means an officer of the Commissioners;

“Order of 1975” means the Imposition of Duties (No. 221) (Excise Duties) Order, 1975 (S.I. No. 307 of 1975);

“prescribed” means specified in, or determined in accordance with, regulations made by the Commissioners;

“records” means any books, accounts, documents or other recorded information including information in a computer or in other non-legible form;

“registered trader” means a person other than an authorised warehousekeeper, who is authorised by the Commissioners to receive, in the course of business, excisable products from another Member State under a suspension arrangement;

“release for consumption” means—

- (a) any departure, including irregular departure, from a suspension arrangement,

¹ O.J. No. L76 of 23 March, 1992, p.1

² O.J. No. L302 of 19 October, 1992, p.32

(b) any manufacture, including irregular manufacture, of excisable products outside a suspension arrangement, or

(c) any importation of excisable products, including irregular importation, where such excisable products have not been placed under a suspension arrangement;

“small wine producer” means a person in another Member State who produces on average less than 1,000 hectolitres of wine per year and who is exempted by the competent authorities of that Member State under Article 29 of the Directive from the requirements of Titles II and III of the Directive;

“spirits” has the same meaning as it has in *paragraph (a) of section 97(1)*;

“State vendor” means a person who is established in the State and who is authorised by the Commissioners to sell excisable products, which have already been released for consumption in the State, for the personal use of private individuals resident in other Member States, and who dispatches or transports such products, directly or indirectly, to such persons in other Member States;

“suspension arrangement” means an arrangement under which excisable products are produced, processed, held or moved, excise duty being suspended;

“tax representative” means a person, established in the State, who is authorised by the Commissioners to act in the State as an agent on behalf of persons delivering excisable products from another Member State;

“tax warehouse” means a premises or place approved by the Commissioners, where excisable products are produced, processed, held, received or dispatched under a suspension arrangement by an authorised warehousekeeper in the course of business;

“tobacco products” has the same meaning as it has in *paragraph (f) of section 97(1)*;

“vehicle” means a mechanically propelled vehicle or any other conveyance;

“wine” has the same meaning as it has in *paragraph (b) of section 97(1)*.

97.—(1) For the purposes of this Part the following are excisable products:

(a) spirits chargeable with the duty of excise imposed by paragraph 4(2) of the Order of 1975;

(b) wine chargeable with the duty of excise imposed by paragraph 5(2) of the Order of 1975;

(c) made wine chargeable with the duty of excise imposed by paragraph 6(2) of the Order of 1975;

(d) beer chargeable with the duty of excise imposed by section 90 of the Finance Act, 1992;

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- (e) cider and perry chargeable with the duty of excise imposed by paragraph 8(2) of the Order of 1975; Pr.2 S.97
- (f) tobacco products chargeable with the duty of excise imposed by section 2 of the Finance (Excise Duty on Tobacco Products) Act, 1977;
- (g) until such day as the Minister for Finance may appoint by order under section 109 of the Finance Act, 1999, for the coming into operation of section 95 of that Act—
- (i) mineral hydrocarbon light oil chargeable with the duty of excise imposed by paragraph 11(1) of the Order of 1975,
 - (ii) hydrocarbon oil, not otherwise liable to a duty of excise, chargeable with the duty of excise imposed by paragraph 12(1) of the Order of 1975,
 - (iii) gaseous hydrocarbons in a liquid form chargeable with the duty of excise imposed by section 41(1) of the Finance Act, 1976,
 - (iv) additives chargeable with the duty of excise imposed by Regulation 23(1) of the European Communities (Customs and Excise) Regulations, 1992 (S.I. 394 of 1992),
 - (v) substitute motor fuels chargeable with the duty of excise imposed by section 116(2) of the Finance Act, 1995;
- (h) from such day as the Minister for Finance may appoint by order under section 109 of the Finance Act, 1999, for the coming into operation of section 95 of that Act, mineral oil chargeable with the duty of excise imposed by the said section 95.

(2) Without prejudice to *sections 145 and 146*, in the event of any question or dispute the Commissioners shall determine whether a product—

- (a) is properly classified as an excisable product under *paragraphs (a) to (h) of subsection (1)*, or
- (b) while prima facie chargeable with a duty of excise, qualifies in whole or in part for any relief from duty under any provision of the law relating to excise.

98.—(1) (a) Subject to *paragraph (b) and subsection (2)*, the provisions of the Customs Acts and of any instrument relating to duties of customs made under statute and not otherwise applied by this Part shall, with any necessary modifications, apply in relation to this Part, in respect of excisable products imported into the State, as they apply in relation to duties of customs. Application of enactments.

- (b) Where there is a provision in this Part corresponding to a provision of the Customs Acts or of any instrument relating to duties of customs made under statute, the latter provision shall not apply.

- (2) (a) Subject to *paragraph (b)*, the provisions of the statutes which relate to the duties of excise and the management of such duties and of any instrument relating to the duties of excise made under statute and not otherwise applied by this Part shall, with any necessary modifications, apply in relation to the provision of this Part in respect of excisable products produced in the State as they apply to duties of excise.
- (b) Where there is a provision in this Part corresponding to a provision of the statutes which relate to the duties of excise or of any instrument relating to the duties of excise made under statute, the latter provisions shall not apply.

99.—(1) Without prejudice to any other provision of the statutes which relate to the duties of excise and of any instrument relating to the duties of excise made under statute concerning the liability of persons to excise duty and the payment of such duty—

- (a) an authorised warehousekeeper shall be liable, subject to the procedure for discharge of such liability provided for in *subsection (3)*, for payment of excise duty on excisable products released from a tax warehouse, approved in relation to such warehousekeeper, for delivery to another Member State including delivery to another Member State for export outside the Community,
- (b) a registered trader or a non-registered trader shall be liable for payment of excise duty on products received by such a trader under a suspension arrangement and such excise duty shall be chargeable on receipt of such products, and
- (c) a tax representative, acting on behalf of persons referred to in *paragraph (a)* or *(b)* of *subsection (1)* of *section 113*, shall be liable for the payment of excise duty on excisable products delivered to the State by or on behalf of such persons.

(2) The excise duty referred to in *paragraphs (a)* to *(c)* of *subsection (1)* shall be paid at such time and in such manner as may be prescribed under *section 153*.

(3) The liability to excise duty under *subsection (1)(a)* shall be fully or partly discharged and satisfied and excise duty shall not be payable where, and to the extent that, such excisable products have been fully or partly received by a person or trader referred to in *section 115(2)* or have been exported from the Community, and evidence to this effect is received within the prescribed time and in the prescribed manner.

(4) For the purpose of *subsection (3)*, evidence of receipt shall be provided by means of a copy of the accompanying document, referred to in *subsection (1)* of *section 117*, returned duly endorsed—

- (a) (i) by such person or trader, and
- (ii) in the case of such Member State, as may be specified by the Commissioners in regulations under *section 153*, by the authorities of such Member State in which such person or trader has his or her place of business,

or

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- (b) in the case of exports from the Community, by the authorities of the Member State based at the customs office at the point of departure from the Community,

to the effect that such excisable products have been duly received or exported.

100.—Subject to *section 104(2)*, the duties of excise imposed by the provisions referred to in *section 97* shall apply in relation to excisable products released for consumption in another Member State and imported into the State.

Duties to apply to excisable products released for consumption in another Member State.

101.—(1) Where any duty of excise has been charged or become chargeable on any excisable product, and where an authorised warehousekeeper is liable for such duty then—

All excisable products are liable for all liabilities, penalties and forfeitures of a warehousekeeper.

- (a) all excisable products and all ingredients and materials used in the manufacture or processing of such products,
- (b) all articles and equipment used either in the manufacture or processing of such excisable products or in the course of business relating to them,

which are in the possession or custody of such authorised warehousekeeper or any other person acting on his or her behalf, shall be subject and liable to and chargeable with any duty of excise which has been so charged or become chargeable during the time of any such custody or possession.

(2) The products, ingredients, materials, articles and equipment referred to in *paragraphs (a) and (b) of subsection (1)* shall be subject and liable to all excise penalties and forfeitures incurred by such authorised warehousekeeper during the time of custody and possession referred to in that subsection.

102.—(1) The liability to excise duty arising when products are released for consumption is to be calculated at the rate applicable to such products at the date of such release for consumption.

Treatment of excisable products released for consumption.

(2) Losses, other than those referred to in *section 106*, and any shortages of excisable products under a suspension arrangement are liable to excise duty at the rate applicable—

- (a) at the time such losses or shortages occurred, where such time can be established to the satisfaction of an officer, or
- (b) where such time cannot be so established, at the time such losses or shortages came to the notice of an officer,

and such duty is payable immediately by the person authorised to produce, process, hold, transport, deliver, or receive (as the case may be) such excisable products.

(3) The excise duty referred to in *subsections (1) and (2)* is to be charged, levied, and paid in the prescribed manner.

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Payment.

103.—(1) Except where otherwise required by any provision of the statutes which relate to the duties of excise or any instrument relating to the duties of excise made under statute, any person liable for payment of any duty of excise shall account for and pay such duty at such time and place and to such person as shall from time to time be directed by the Commissioners.

(2) Any person who does not account for and pay any amount of excise duty as required under *subsection (1)* or under any other provision of the statutes which relate to the duties of excise, or any instrument relating to the duties of excise made under statute, shall forfeit and lose double such amount of excise duty.

Reliefs.

104.—(1) Subject to compliance with any conditions or limitations the Commissioners see fit to impose, the duties of excise imposed by the provisions referred to in *section 97* shall not be charged or levied on excisable products delivered—

(a) under diplomatic arrangements in the State,

(b) to international organisations recognised as such by the State, and the members of such organisations based in the State, within the limits and under the conditions laid down by international conventions establishing such organisations or by other agreements, and

(c) for consumption under any agreement entered into between the State and a country other than a Member State where such agreement also provides for exemption from value-added tax.

(2) (a) Excise duty shall not be chargeable in the State on excisable products released for consumption in another Member State which—

(i) have been acquired by a private individual in such another Member State for his or her own use and not for commercial purposes, and

(ii) are transported into the State by such private individual, and accompanied by him or her during such transportation.

(b) With the exception of mineral oil imported into the State in the fuel tank of a vehicle or in a portable container with a capacity of not more than 10 litres, *subsection (a)* shall not apply to mineral oil.

(3) For the purpose of *subsection (2)* the question of whether excisable products referred to in that subsection are for a private individual's own use or are for commercial purposes shall be determined in accordance with regulations under *section 153*.

Repayments.

105.—(1) The Commissioners may, subject to such conditions as they may prescribe under *section 153* or otherwise impose, repay or remit any such duties on excisable products where such products—

(a) are released for consumption in the State and are intended for delivery for commercial purposes to another Member State,

- (b) are released for consumption in the State and are purchased by a person in another Member State from a State vendor, Pr.2 S.105
- (c) cease to be covered by a suspension arrangement, and the duty chargeable on such products on the date of such cessation is less than an amount of duty paid in advance of that date, on such products,
- (d) are subject to *section 115* and it is shown to the satisfaction of the Commissioners that excise duty has been paid in respect of such products, or
- (e) are shown to the satisfaction of the Commissioners to have been exported or re-exported from the State to a place outside the Community or shipped for use as stores on board a ship or aircraft on a voyage or a flight, as the case may be, from a place in the State to a place outside the State.

(2) In any case of relief under *section 104*, effect may be given to such relief by means of repayment.

106.—The Commissioners may, in respect of the duties of excise imposed by the provisions referred to in *section 97* and, subject to compliance with such conditions as may be prescribed, remit such duties on excisable products under a suspension arrangement which are shown to their satisfaction to have been lost— Remission of losses.

- (a) during production, processing or holding in the State or transportation to a destination in the State, or
- (b) in the course of transportation to the State,

and that such loss was—

- (i) due to fortuitous events or *force majeure*, or
- (ii) a loss inherent in the nature of the excisable products in the course of their production, processing, holding or transportation.

107.—(1) In this section—

General mutual assistance.

“authorised officer” means an officer authorised in writing by the Commissioners for the purposes of this section;

“Council Directive” means Council Directive No. 77/799/EEC of 19 December 1977¹, as amended by Council Directive No. 79/1070/EEC of 6 December 1979² and Council Directive No. 92/12/EEC of 25 February 1992³.

- (2) (a) The Commissioners and authorised officers may disclose to the competent authorities of another Member State any information concerning excise duties required to be so disclosed by virtue of the Council Directive.

¹ O.J. No. L336 of 27 December, 1977, p.15

² O.J. No. L331 of 27 December, 1979, p.8

³ O.J. No. L76 of 23 March, 1992, p.1

- (b) Neither the Commissioners nor an authorised officer shall disclose any information in pursuance of the Council Directive unless satisfied that the competent authorities of the other Member State concerned are bound by, or have undertaken to observe, rules of confidentiality with respect to the information which are not less strict than those applying to it in the State.

108.—(1) (a) In this section—

“Commission Directive” means Commission Directive No. 77/794/EEC of 4 November 1977¹;

“Council Directive” means Council Directive No. 76/308/EEC of 15 March 1976², as amended by Council Directive No. 79/1071/EEC of 6 December 1979³ and Council Directive No. 92/12/EEC of 25 February 1992.

- (b) A word or expression that is used in this section and is also used in the Council Directive or in the Commission Directive has, unless the contrary intention appears, the same meaning in this section as it has in the Council Directive or the Commission Directive, as the case may be.

(2) The amount of excise duty specified in any request duly made pursuant to the Council Directive by an authority in another Member State, for the recovery in the State of any amount claimed by such an authority pursuant to a claim referred to in Article 2 of the Council Directive, is recoverable in any court of competent jurisdiction by the Minister for Finance and for the purposes of the foregoing the amount is to be regarded as being a debt due to that Minister, by the person against whom the claim is made by such an authority, in respect of a duty or tax under the care and management of the Commissioners or a simple contract debt due by such person to that Minister, as may be appropriate.

(3) The rules laid down in—

- (a) Articles 4 to 12 and 14 to 17 of the Council Directive, and
(b) Articles 2 to 21 of the Commission Directive,

shall apply in relation to claims in respect of excise duty referred to in Article 2 of the Council Directive which arise in another Member State and which are the subject of legal proceedings instituted under this section.

(4) In any legal proceedings instituted under this section, any document which is in the form specified in Annex III to the Commission Directive and which purports to be authenticated in the manner specified in Article 11 of that Directive is to be received in evidence without proof of any seal or signature or that any signatory to such document was the proper person to sign it, and such document shall, until the contrary is shown, be sufficient evidence of the facts stated in it.

¹ O.J. No. L333 of 24 December, 1977, p.11

² O.J. No. L73 of 19 March, 1976, p.18

³ O.J. No. L331 of 27 December, 1979, p.10

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- (5) (a) Legal proceedings instituted under this section for the recovery of any sum are to be stayed if the defendant satisfies the court that legal proceedings relevant to his or her liability on the claim to which the proceedings so instituted relate are pending, or are about to be instituted, before a court, tribunal or other competent body in another Member State, but any such stay may be removed if the legal proceedings in such Member State are not prosecuted or instituted with reasonable expedition.
- (b) In any legal proceedings instituted under this section—
- (i) it is a defence for the defendant to show that a final decision on the claim to which the proceedings relate has been given in favour of such defendant by a court, tribunal or other body of competent jurisdiction in another Member State, and
- (ii) in relation to any part of a claim to which such legal proceedings relate, it is a defence for the defendant to show that such a decision has been given in relation to that part of the claim.
- (c) No question shall be raised in any legal proceedings instituted under this section as to the defendant's liability on the claim to which the proceedings relate except as provided in *paragraph (b)* of this subsection.
- (d) For the purposes of this section, legal proceedings shall be regarded as pending so long as an appeal may be brought against any decision in the proceedings, and for these purposes a decision against which no appeal lies, or against which an appeal lies within a period which has expired without an appeal having been brought, is to be regarded as being a final decision.

109.—(1) Subject to *subsections (2) and (3)* the following shall Warehousing.
take place only in a tax warehouse—

- (a) producing and processing of excisable products, and
- (b) holding of excisable products where the proper excise duty has not been paid or remitted.
- (2) The provisions of *subsection (1)(a)* do not apply to—
- (a) operations by which a user of a mineral oil makes its re-use possible in his or her own undertaking, provided that the excise duty already paid on such mineral oil is not less than the excise duty which would be due if the re-used mineral oil were again to be liable to excise duty,
- (b) operations consisting of mixing or blending of excisable products with other excisable products or other materials, provided—
- (i) that the proper excise duty on such excisable products has been paid previously, and

- (ii) that the amount paid is not less than the amount of the excise duty which would be chargeable on the mixture or blend.
- (3) The Commissioners may, on written application from the person concerned, grant an exemption from *subsection (1)(a)*—
- (a) in respect of operations during which small quantities of excisable products are obtained incidentally, and
- (b) in such other cases of production or processing of excisable products and subject to such conditions as they may deem fit to impose, but only where—
- (i) the proper excise duty on such products has been paid previously, and
- (ii) the amount paid is not less than the amount of the excise duty which would be chargeable following such production or processing.
- (4) (a) A person shall only be approved as an authorised warehousekeeper under this section where such person appears to the Commissioners to be able to satisfy such requirements for approval as they may think fit to impose.
- (b) A premises or place shall only be approved as a taxwarehouse—
- (i) where such premises or place are used or intended for use for the production, processing, holding, receipt or dispatch of excisable products,
- (ii) where such premises or place are used or intended for use for such production or processing and it is owned or occupied by a person licensed for such production or processing under any provision of the statutes relating to the duties of excise and the management of such duties and any instrument relating to the duties of excise made under statute,
- (iii) where there has been given to an officer such information as may be required of the warehousekeeper in relation to such premises or place and in relation to all rooms, areas, plant, equipment, machinery and vessels in such premises or place, and
- (iv) where such premises or place appears to the Commissioners to satisfy such requirements for approval as they may think fit to impose.
- (5) The Commissioners may approve a person, premises or place under this section for such periods, and subject to such conditions (including the giving of security) as they may think fit to impose and the approved person shall comply with any such conditions.
- (6) The Commissioners may, at any time for reasonable cause and following such notice as is reasonable in the circumstances—
- (a) vary the terms of their approval of any person, premises or place under this section,

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(b) amend the extent of the premises or place which is so approved, or

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(c) revoke the approval granted if—

(i) an authorised warehousekeeper contravenes or fails to comply with any condition of approval imposed by them under this section, or with any provision of this Part or of regulations made under or for the purposes of such provisions, or

(ii) an approved warehouse fails to comply with any condition of approval imposed by them under this section.

(7) Any person approved as or deemed to be an authorised warehousekeeper and any premises or place approved as or deemed to be a tax warehouse under section 105 of the Finance Act, 1992, shall be deemed by the Commissioners to be approved as an authorised warehousekeeper or a tax warehouse respectively for the purposes of this section.

CHAPTER 2

Intra-Community Movement

110.—This Chapter shall apply to excisable products except that, in the case of mineral oil, it shall apply only to products specified in paragraph (1) of Article 2a of Council Directive No. 92/81/EEC of 19 October 1992¹ or which have been the subject, under paragraph (2) of that article, of a decision to make such products subject to the control and movement provisions of the Directive.

Scope (*Chapter 2*).

111.—Without prejudice to *subsection (2) of section 104*, any person acquiring for the purpose of importing into the State, excisable products released for consumption in another Member State, or importing such excisable products into the State, shall—

Treatment of excisable products released for consumption in another Member State.

(a) declare to an officer his or her intention to acquire, and secure the excise duty on such excisable products in advance of the dispatch or collection of such excisable products from the other Member State,

(b) pay the excise duty on such excisable products in the manner prescribed, and

(c) comply with such conditions as may be prescribed in regulations under *section 153*.

112.—(1) Before dispatching or transporting excisable products released for consumption in the State to a private individual in another Member State for that individual's own use and not for commercial purposes, a person resident or established in the State shall be approved by the Commissioners as a State vendor.

Provisions relating to vendors.

(2) (a) The Commissioners may approve a person as a State vendor.

¹ O.J. No. L316 of 31 October, 1992, p.12

- (b) Approval under *paragraph (a)* shall be granted for such periods and subject to such conditions as the Commissioners may think fit to impose and, in particular, a State vendor shall not be approved unless such vendor—
- (i) secures, prior to the dispatch of excisable products, the duty payable in respect of those products in the Member State of destination, and
 - (ii) agrees to keep such accounts, records and other data or information as may be specified by the Commissioners under the terms of such approval.
- (c) The Commissioners may at any time for reasonable cause and following such notice as is reasonable in the circumstances, revoke an approval or vary its terms.

(3) A non-State vendor dispatching or transporting, or causing to be dispatched or transported, excisable products released for consumption in another Member State to a private individual in the State for that private individual's own use and not for commercial purposes shall—

- (a) appoint a tax representative, as provided for in *section 113*, in the State,
- (b) prior to the dispatch of such excisable products, declare to an officer, either directly or through a tax representative appointed by such non-state vendor, his or her intention to dispatch or transport, or to have dispatched or transported, such excisable products to persons resident or established in the State,
- (c) provide evidence to an officer that he or she has complied with the requirements of Article 10.3 of the Directive, and
- (d) comply with such other conditions as the Commissioners may prescribe under *section 153*.

Tax representatives. **113.**—(1) The Commissioners may approve a person to act as a tax representative on behalf of—

- (a) a non-State vendor referred to in *subsection (3) of section 112*, and
- (b) a person authorised by the authorities of another Member State to operate a tax warehouse under Article 12 of the Directive.

(2) Approval of a tax representative shall be granted by the Commissioners for such periods and shall be subject to such conditions, including the provision of security, as they may prescribe under *section 153*, and the Commissioners may at any time for reasonable cause and following such notice as is reasonable in the circumstances, revoke an approval or vary its terms.

114.—(1) *Sections 115, 116 and 117* shall not apply where the movement of excisable products takes place under a customs procedure in accordance with the provisions of paragraph 2 of Article 5 of the Directive, that is where such products are—

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(a) coming from, or going to, third countries or territories Pr.2 S.114
excluded by *section 96* from the territory of the Community and placed under one of the customs suspensive procedures listed in Article 84(1)(a) of Council Regulation (EEC) No. 2913/92¹ or in a free zone or a free warehouse, or

(b) dispatched between Member States via an EFTA country or between a Member State and an EFTA country under the internal Community transit procedure or via one or more non-EFTA third countries under cover of a TIR or ATA carnet.

(2) A word or expression that is used in this section and is also used in Article 5 of the Directive (as amended by Council Directive 92/108/EEC of 14 December 1992², and Council Directive 94/74/EC of 30 December 1994³) has the same meaning in this section that it has in that Article as so amended.

115.—(1) This section applies to the release of excisable products by an authorised warehousekeeper from a tax warehouse in the State for delivery under a suspension arrangement to another Member State, including delivery to—

Movement of excisable products under a suspension arrangement from the State to other Member States.

(a) a free zone or free warehouse in another Member State for subsequent export from the Community, or

(b) otherwise to another Member State for such subsequent export.

(2) Subject to such conditions as the Commissioners may think fit to impose, an authorised warehousekeeper may release excisable products to which this section applies only where such products are intended for delivery to—

(a) a person authorised by the authorities of another Member State to operate a tax warehouse under Article 12 of the Directive,

(b) a trader registered with the authorities of another Member State under Article 16.2 of the Directive,

(c) a trader referred to in Article 16.3 of the Directive having a place of business in another Member State and who provides evidence, in advance of the dispatch of such excisable products, to such authorised warehousekeeper by means of a document, referred to in this Part as a “duty document” certifying that such trader—

(i) has declared to the authorities of the Member State in which such place of business is situated the intention to obtain such excisable products from such authorised warehousekeeper, and

(ii) has paid to or secured with such authorities the excise duty on such excisable products in accordance with procedures laid down by such authorities,

¹ O.J. No. L302 of 19 October, 1992, p.19

² O.J. No. L390 of 31 December, 1992, p.124

³ O.J. No. L365 of 31 December, 1994, p.46

- (d) a person authorised by the authorities of another Member State to operate in a free zone or free warehouse in that Member State under the Community provisions relating to free zones and free warehouses, or
- (e) a territory outside the Community and are being transported to their destination through another Member State or other Member States.

Movement of excisable products under a suspension arrangement to the State from other Member States.

116.—(1) This section applies to the receipt of excisable products under a suspension arrangement by persons resident or established in the State from a person authorised by the authorities of another Member State to operate a tax warehouse under Article 12 of the Directive.

(2) (a) An authorised warehousekeeper may receive excisable products from a person authorised by the authorities of another Member State to operate a tax warehouse under Article 12 of the Directive.

(b) A person licensed by the Minister for Enterprise, Trade and Employment to operate in the Customs-free airport, as defined in the Customs-Free Airport Act, 1947, may receive excisable products, intended for subsequent export from the Community, under a suspension arrangement from a person authorised by the authorities of another Member State to operate a tax warehouse under Article 12 of the Directive and such licensed person is deemed for the purposes of this section to be an authorised warehousekeeper and this section shall apply to such licensed person accordingly.

(3) A person, other than an authorised warehousekeeper, receiving excisable products under a suspension arrangement from a person authorised by the authorities of another Member State to operate a tax warehouse under Article 12 of the Directive shall be—

- (a) a registered trader, or
- (b) a non-registered trader and comply with *subsection (5)*.

(4) (a) A registered trader shall neither hold nor dispatch excisable products under a suspension arrangement.

(b) Registration as a registered trader shall be granted for such periods and is to be subject to such conditions (including the provision of security, the keeping of specified accounts and records and compliance with any other specified control requirements) as the Commissioners may prescribe under *section 153*.

(c) The Commissioners may at any time for reasonable cause and following such notice as is reasonable in the circumstances revoke any registration so granted or vary its terms.

(5) A non-registered trader shall neither hold nor dispatch excisable products under a suspension arrangement and shall, in relation to each and every transaction involving excisable products to which this section applies, in addition to the requirements under *section 99(1)(b)*, be required to—

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- (a) declare in writing to an officer the trader's intention to obtain excisable products under a suspension arrangement from another Member State, in advance of the dispatch of such excisable products from that Member State, giving details of the intended transaction in the prescribed manner, Pr.2 S.116
- (b) provide appropriate security to cover the trader's liability for the payment of the excise duty on such excisable products in the State, and
- (c) comply with such other requirements as may be prescribed.

(6) Notwithstanding *subsections (1) to (5)* and subject to *subsection (7)*, a person who is—

- (a) an authorised warehousekeeper,
- (b) a registered trader, or
- (c) a non-registered trader,

may receive wine produced and dispatched by a small wine producer under a suspension arrangement.

(7) A person referred to in *subparagraphs (a), (b) or (c) of subsection (6)* who receives or intends to receive wine in accordance with that subsection shall—

- (a) in advance of the dispatch of the wine, inform an officer in writing of his or her intention to obtain such wine,
- (b) provide such documentary or other evidence as an officer may require to establish to the satisfaction of such officer that such wine was produced and dispatched by a small wine producer,
- (c) comply with the requirements of *subsections (4) and (5)* for receipt of goods under duty suspension.

117.—(1) With the exception of excisable products—

Accompanying documents.

- (a) referred to in *section 104(2)*, and
- (b) dispatched or transported by or on behalf of a State vendor or a non-State vendor in accordance with *section 112*,

excisable products, in the course of delivery—

- (i) from another Member State to any person in the State,
- (ii) from any person in the State to any person in another Member State,
- (iii) from the State through another Member State to a place of destination in the State,
- (iv) through the State from another Member State to a place of destination in that Member State,
- (v) from one Member State through the State to another Member State,

- (vi) to the State from another Member State in a case where relief from excise duty applies under *section 104(1)*,
- (vii) from the State to another Member State under any exemption provided for in paragraph 1 of Article 23 of the Directive,
- (viii) to a free zone or free warehouse in another Member State for subsequent export from the Community, or
- (ix) otherwise from the State through another Member State for export outside the Community,

shall, at all times while in the State during the course of such delivery, be accompanied by a document, referred to in this Part as an accompanying document, the form of which is to be prescribed under *section 153*.

(2) Where an authorised warehousekeeper dispatches excisable products under a suspension arrangement for delivery to a person in another Member State not being either—

- (a) a person authorised by the authorities of another Member State to operate a tax warehouse under the provisions of Article 12 of the Directive, or
- (b) a trader registered with the authorities of another Member State under Article 16.2 of the Directive,

such warehousekeeper shall ensure that, in addition to the accompanying document, a copy of the duty document referred to in *paragraph (c) of subsection (2) of section 115* is dispatched with and accompanies such excisable products in the course of their delivery.

(3) Where an authorised warehousekeeper dispatches excisable products to another Member State under a suspension arrangement for delivery under any exemption provided for in paragraph 1 of Article 23 of the Directive, such warehousekeeper shall ensure that, in addition to an accompanying document, a certificate, referred to in this Part as an “exemption certificate”, is dispatched with and accompanies such excisable products in the course of their delivery.

(4) Where excisable products are dispatched under a suspension arrangement for delivery to a person in the State in a case where exemption from excise duty applies under *section 104(1)*, such person shall take all reasonable steps to ensure that, in addition to an accompanying document, an exemption certificate is dispatched with and accompanies such excisable products in the course of their delivery.

(5) Where excisable products are dispatched under a suspension arrangement by a person authorised by the authorities of another Member State to operate a tax warehouse under Article 12 of the Directive to a trader referred to in *section 116(3)(b)*, such trader shall take all reasonable steps to ensure that such excisable products shall, in addition to an accompanying document, be accompanied at all times while in the State by a duty document certifying in the manner prescribed that—

- (a) the transaction involving such excisable products has been declared to an officer prior to the dispatch of such products from the other Member State, and

(b) the duty on such excisable products has been either paid or secured in the State, Pr.2 S.117

and, where the document referred to in this subsection does not for any reason accompany such excisable products, it is a sufficient and lawful excuse for such trader to show that he or she had informed the person sending or dispatching such excisable products of the legal requirement for such a document.

(6) The provisions of *subsection (5)* shall apply with any necessary modification to wine dispatched by a small wine producer as if the reference to a person authorised by the authorities of another Member State to operate a tax warehouse under Article 12 of the Directive were a reference to a small wine producer.

CHAPTER 3

Offences, Penalties and Proceedings

118.—In this Chapter “claimant” has the meaning assigned to it by *section 143(1)*. Interpretation (*Chapter 3*).

119.—(1) It is an offence under this subsection for any person to take possession, custody or charge of, or to remove, transport, deposit or conceal, or to otherwise deal with, excisable products in respect of which any duty of excise is for the time being payable, with intent to defraud, either directly or indirectly, the State of such duty. Evasion of excise duty.

(2) It is an offence under this subsection for any person to be concerned in the evasion or attempted evasion of a duty of excise on excisable products with intent to defraud either directly or indirectly the State of such duty.

(3) Without prejudice to any other penalty to which a person may be liable, a person convicted of an offence under this subsection is liable—

(a) on summary conviction, to a fine of £1,500, or, at the discretion of the court, to imprisonment for a term not exceeding 12 months or to both,

(b) on conviction on indictment, to a fine of 3 times the value of the excisable products concerned, including any duty or tax chargeable thereon, or £10,000, whichever is the greater, or, at the discretion of the court, to imprisonment for a term not exceeding 5 years or to both.

120.—Section 34 of the Finance Act, 1963, is amended— Amendment of section 34 (amendments relative to penalties) of Finance Act, 1963.

(a) in subsection (4) by the insertion after “subsection (3) of this section” of “or *section 119* of the *Finance Act, 2001*”,

(b) in subsection (6) by the substitution of the following paragraph for paragraph (c):

“(c) the application of section 13 of the Criminal Procedure Act, 1967, to offences under section 186 of the Customs Consolidation Act, 1876, section 3 of the Customs Act, 1956, or any

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other provision of the Customs Acts or *section 119* of the *Finance Act, 2001*.”.

Offences generally.

121.—It is an offence under this section for any person—

(a) to contravene or fail to comply with—

- (i) any provision of *sections 109, 111, 112, 113, 115, 116, 117*, or
- (ii) any regulation made under *section 153* in relation to such provision,

(b) to take possession or charge of excisable products to which any of the sections referred to in *paragraph (a)* applies in the knowledge that any requirement or condition specified in such sections, or in any regulations made in relation to any such sections under *section 153*, has not been complied with.

Offences in relation to false returns, claims etc.

122.—It is an offence under this section for any person to deliver any incorrect return, statement or accounts or to furnish any incorrect information—

- (a) in connection with a claim for relief under *section 104*,
- (b) in connection with a claim for repayment of excise duty under *section 105*,
- (c) in connection with a claim for remission of excise duty under *section 106*, or
- (d) for any other purposes in relation to any duty of excise.

Resisting, obstructing, giving false information.

123.—It is an offence under this section for any person to—

- (a) resist, obstruct or impede an officer, member of the Garda Síochána, or other person in the exercise of any power conferred by *Chapter 4* on such officer, member or other person,
- (b) fail without lawful and sufficient excuse to comply with any requirement imposed on them under any provision of *Chapter 4*,
- (c) fail without lawful and sufficient excuse to give—
 - (i) his or her name, address and date of birth, or
 - (ii) any other information,

when required to do so under any provision of *Chapter 4*, or to give any such name, address or other information which is false or misleading.

Penalty.

124.—Without prejudice to any other penalty to which a person may be liable, a person convicted of an offence under *sections 121, 122* or *123* is liable on summary conviction to a fine of £1,500.

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125.—(1) Any excisable products in respect of which an offence has been committed under *section 119* or *121* or any goods which are packed with or used in concealing such products, are liable to forfeiture and, where any such products are found in, on, or in any manner attached to, any vehicle or other conveyance, such vehicle or other conveyance is deemed to have been made use of in the conveyance of such products and shall also be liable to forfeiture.

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Forfeiture.

(2) Where a duty of excise chargeable on any excisable products is not paid at the time at which payment of such duty becomes due or within such longer period as may be permitted for payment by or under any enactment, such products are liable to forfeiture.

(3) Where any goods or vehicles are liable to forfeiture under the law relating to excise, anything containing or that contained such goods or vehicle, and anything made use of in the conveyance of such goods or vehicle, is liable to forfeiture.

126.—(1) This section is concerned with proceedings in relation to any offence under or by virtue of the statutes which relate to the duties of excise or to the management of such duties or under any instrument relating to the management of such duties made under statute.

Proceedings in
relation to offences.

(2) Where there is evidence that an offence has been committed by several persons jointly—

(a) proceedings may be instituted against such persons, jointly or severally, for the recovery of a fine or penalty, and

(b) on conviction, such persons shall jointly and severally incur every such fine or penalty.

(3) Where proceedings have been instituted or continued in the name of an officer who has ceased for any reason to be such an officer or being such officer is absent at any time during such proceedings, then such proceedings may be continued in the name of any other officer or of the officer so absent, as appropriate in the circumstances.

(4) Any summons, notice, order or other document relating to proceedings referred to in *subsection (1)*, or relating to any appeal against a judgement pursuant to such proceedings, may be served by an officer.

(5) (a) Notwithstanding the provisions of any other enactment but subject to *paragraph (b)*, summary proceedings may be instituted within one year from the date of the offence.

(b) Summary proceedings in respect of an offence under this Chapter may be so instituted within 3 years of the date of the offence.

(6) Section 1 of the Probation of Offenders Act, 1907, shall not apply to offences to which this section relates.

127.—(1) If, on the expiration of the period referred to in *subsection (1)* of *section 143*, no notice of claim has been given under that section, the thing in question shall be deemed to have been duly condemned as forfeited.

Condemnation.

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(2) Subject to *subsection (3)*, where a notice in respect of anything is duly given under *section 143*, the Commissioners shall take proceedings for the condemnation of the thing by the court, and, in case the court finds that the thing was at the time of seizure liable to forfeiture, the court shall condemn it as forfeited and, in any other case, shall order its release.

(3) Where anything is condemned or deemed to have been condemned as forfeited under this section, the forfeiture shall apply as from the date when the liability to forfeiture arose.

Proceedings for
condemnation by
court.

128.—(1) Proceedings under *section 127* are civil proceedings and may be instituted either in the High Court or, if, in the opinion of the Commissioners, the value of the thing which is the subject of the proceedings does not exceed £5,000, the District Court.

(2) In any proceedings under *section 127* the claimant, or any solicitor acting on behalf of such claimant, shall state on oath that the thing seized was, or was to the best of their knowledge and belief, the property of the claimant at the time of the seizure.

(3) The Commissioners may in their discretion stay or compound any proceedings under *section 127*, and may restore anything seized which is subject to such proceedings, and the Minister for Finance may order any such restoration.

(4) The provisions of *section 126(3)* shall also apply to proceedings under *section 127*.

(5) In any proceedings under *section 127*, if judgement is given for the claimant, no officer or person who made or assisted in making the seizure is liable to any civil or criminal proceedings on account of seizure or detention of the goods, provided that the court or judge certifies that there was probable cause for making such seizure or detention.

Damages.

129.—Where, in any civil or criminal proceedings against any officer or person on account of the seizing or detention of any thing, judgement is given against the defendant, and where the court or justice certifies that there was probable cause for such seizure or detention, the plaintiff shall not be entitled to any damages, besides the goods seized or the value of such thing, nor to any costs, and the defendant shall not be liable for any punishment or penalty.

Mitigation.

130.—(1) The Commissioners may in their discretion, in relation to any offence under or by virtue of the statutes which relate to the duties of excise or to the management of such duties or under any instrument relating to the management of such duties made under statute—

- (a) mitigate any fine or penalty,
- (b) stay or compound any proceedings.

(2) Section 1065(1)(b) of the Taxes Consolidation Act, 1997, shall apply to any such fine or penalty.

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(3) A trial judge may in his or her discretion, mitigate any fine or penalty incurred for any offence referred to in *subsection (1)*, provided that the amount so mitigated is not greater than 50 per cent of the amount of such fine or penalty. Pr.2 S.130

(4) Notwithstanding *subsections (1) and (2)*, where a fine or penalty is mitigated or further mitigated, as the case may be, by virtue of either of those subsections, after judgment, the total amount or amounts mitigated under this section shall not be greater than 50 per cent of the amount of such fine or penalty.

131.—(1) Where in proceedings, any dispute arises as to— Presumptions.

(a) whether any excise duty has been paid in respect of any excisable products or other goods which are the subject of such proceedings,

(b) whether any such excisable products or other goods are of such kind or sort as is alleged in evidence,

(c) the place from where any excisable products were brought,

the burden of proof in such dispute shall rest—

(i) in the case of proceedings referred to in *subsection (1) of section 126*, with the defendant,

(ii) in the case of proceedings referred to in *subsection (2) of section 127*, with the claimant,

(iii) in the case of proceedings commenced by a person claiming any thing seized as liable to forfeiture under the law relating to excise, against the Commissioners, or any officer, or any member of the Garda Síochána involved in such seizure, with the plaintiff.

(2) In any proceedings referred to in *section 126(1)* involving tobacco products, it shall be presumed until the contrary is shown that a thing is a cigarette or other tobacco product where, in the opinion of an officer, it is contained in any form of packaging which, by virtue of any wording on it, its shape and other characteristics, is indicative of the contents consisting of one or more than one cigarette or other tobacco product and the officer so states that opinion.

(3) In proceedings under *section 121*—

(a) any person who, otherwise than in a tax warehouse, produces, processes or holds excisable products on which excise duty has not been paid, or who does not comply with any of the conditions imposed by *section 109*, is presumed, until the contrary is proved, to have contravened or failed to comply with (as the case may be) that section,

(b) without prejudice to *section 104(2)*, where excisable products which have been released for consumption in another Member State are found in the State and a requirement specified in *paragraph (a), (b) or (c) of section 111* has not been complied with in respect of such excisable products, any person in whose possession or charge such excisable products are found is presumed, until the contrary is proved, to have contravened or failed to comply with (as the case may be) that section,

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- (c) where excisable products to which *subsection (3) of section 112* applies are found in the State and a requirement specified in *paragraph (a), (b), (c) or (d)* of that subsection has not been complied with in respect of such excisable products, any person in whose possession or charge such excisable products are found is presumed, until the contrary is proved, to have contravened or failed to comply with (as the case may be) that subsection,
- (d) where excisable products to which *section 116* applies are found in the State and a requirement or condition specified in *subsection (4), (5) or (7)* or in any regulations made under *section 153* has not been complied with in respect of these excisable products, any person in whose possession or charge these excisable products are found is presumed, until the contrary is proved, to have contravened or failed to comply with (as the case may be) *subsection (4), (5) or (7)*, or any regulations made under *section 153*, as appropriate.

False evidence,
punishment as for
perjury.

132.—If any person in any proceedings under *section 126 or 127*, on any examination on oath, or in any affidavit or deposition authorised by the statutes which relate to the duties of excise, wilfully and corruptly gives false evidence, or wilfully and corruptly swears any matter or thing which is false or untrue, that person shall be guilty of an offence and on conviction be subject and liable to such punishment as persons convicted of perjury are subject and liable to.

CHAPTER 4

Powers of Officers

Interpretation
(*Chapter 4*).

133.—In this Chapter, except where the context otherwise provides, “officer” means an officer of the Commissioners authorised by them to exercise the powers conferred on officers by this Chapter.

Power to stop
vehicles.

- 134.**—(1) An officer in uniform may stop any vehicle in order—
- (a) that such officer, or any officer accompanying such officer, may exercise any power conferred on them by *section 135* in relation to excisable products or any other products chargeable with a duty of excise, where there are reasonable grounds to believe that such products are being transported in or on such vehicle, or
- (b) to examine and take samples of mineral oil under *section 135(2)(a)*.
- (2) An officer in uniform or a member of the Garda Síochána may stop any vehicle for any purpose related to vehicle registration tax or the registration of vehicles in any of the registers established and maintained under Chapter IV of Part II of the Finance Act, 1992.
- (3) Any person in charge of a moving vehicle shall, at the request of an officer in uniform or a member of the Garda Síochána, stop such vehicle.
- (4) Any person in charge of a vehicle shall, whether such vehicle has been stopped by an officer or member of the Garda Síochána

under this section, or is already stationary, at the request of an officer or member of the Garda Síochána— Pr.2 S.134

- (a) keep such vehicle stationary for such period as is reasonably required to enable an officer or member to exercise any power conferred on such officer or member by *section 135*, or
- (b) where such vehicle is in the opinion of such officer or member situated in a place unsuitable for the exercise of any power conferred on such officer or member by *section 135*, take such vehicle or cause it to be taken to such place as such officer or member may consider suitable for the exercise of such power.

135.—(1) An officer, on production of the authorisation of such officer if so requested by any person affected, or any officer accompanying such officer, may— Power to examine and search vehicles and to take samples.

- (a) examine a vehicle,
- (b) carry out such searches of a vehicle as may appear to the officer to be necessary to establish whether—
 - (i) anything on or in the vehicle or in any manner attached to the vehicle is liable to forfeiture under the law relating to excise, or
 - (ii) any excisable products being transported in or on, or in any manner attached to, the vehicle correspond in every material respect with the description of any such products in a document referred to in *paragraph (d)(iii)*,
- (c) take samples, without payment, of any excisable products in or on, or in any manner attached to the vehicle, and
- (d) question the person in charge of the vehicle in relation to the vehicle or anything on or in or in any manner attached to the vehicle, and require such person—
 - (i) to give, within such time and in such form and manner as may be specified by the officer or accompanying officer, all such information in relation to the vehicle as may reasonably be required by the officer or accompanying officer and is in the possession or procurement of such person,
 - (ii) within such time and in such manner as may be specified by the officer or accompanying officer, to produce and permit the inspection of and the taking of copies of, or of extracts from, all such records relating to the vehicle and any products being so transported, as are reasonably required by the officer or accompanying officer and are in the possession or procurement of the person, and
 - (iii) to produce to the officer or accompanying officer any accompanying document, duty document or exemption certificate accompanying any excisable products being transported in or on, or in any manner attached to, the vehicle.

(2) An officer, on production of the authorisation of such officer if so requested by any person affected, or a member of the Garda Síochána, may—

- (a) examine and take samples of any mineral oil in any fuel tank or otherwise present on or in any vehicle, or anything attached to any vehicle, for use or capable of being used for combustion in the engine of the vehicle, whether or not the vehicle is attended,
- (b) examine or inspect any vehicle or anything attached to any vehicle for the purposes of *paragraph (a)*,
- (c) question—
 - (i) the owner of any vehicle,
 - (ii) any person who for the time being stands registered as the owner of any vehicle in any of the registers established and maintained under Chapter IV of Part II of the Finance Act, 1992,
 - (iii) any director, manager or principal officer of such owner where the registered owner is not one or more individuals, or
 - (iv) the person in charge of any vehicle,

in relation to such mineral oil, and require such owner, person, director, manager or principal officer to give to him or her any information in relation to such mineral oil as may reasonably be required and which is in the possession or procurement of such owner, person, director, manager or principal officer, as the case may be.

136.—(1) An officer may, at all reasonable times, on production of the authorisation of such officer if so requested by any person affected, enter a premises or other place (other than a dwelling) in which—

- (a) the production, processing, holding, storage, keeping, importation, purchase, packaging, offering for sale, sale or disposal of any product referred to in *section 97(1)* is being or is reasonably believed by the officer to be carried on,
- (b) the manufacture, distribution, storage, repair, modification, importation, dealing, delivery or disposal of mechanically propelled vehicles is being, or is reasonably believed by the officer to be carried on, or
- (c) any records relating to, or reasonably believed by the officer to relate to, the products or activities referred to in *paragraphs (a)* and *(b)* are being kept or are reasonably believed by the officer to be kept.

(2) An officer, on production of the authorisation of such officer if so requested by any person affected, or a member of the Garda Síochána, may—

- (a) enter and inspect any premises or other place (other than a dwelling) for the purposes of *section 135(2)* and bring

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onto those premises any vehicle being used in the course of his or her duties, Pr.2 S.136

(b) make such search and investigation of such premises or place as he or she may consider to be proper.

(3) An officer in or on any premises or place pursuant to *subsection (1)* may there—

(a) carry out such search and investigation as such officer may consider to be proper,

(b) take account of, and without payment, take samples of any product referred to in *section 97(1)* and of any materials, ingredients and substances used or to be used in the manufacture of such product,

(c) in relation to any records referred to in *subsection (1)(c)*—

(i) search for, inspect and take copies of or extracts from any such records (including, in the case of any information in a non-legible form, a copy of, or an extract from, such information in a permanent legible form),

(ii) remove and retain such records for such period as may reasonably be required for their further examination, and

(iii) require any person to produce any such records which are in that person's possession, custody or procurement and in the case of information in a non-legible form, to produce it in a legible form or to reproduce it in a permanent legible form,

(d) question any person present in relation to—

(i) any product referred to in *subsection (1)(a)* or any materials, ingredients or other substances used or intended to be used in the manufacture of such product,

(ii) any vehicle,

(iii) any records referred to in *subsection (1)(c)*,

produced or found in or on such premises or place, and such person shall give to such officer all information required of such person which is in his or her possession, custody or procurement.

(4) An officer in or on any premises or place pursuant to this section, or any person accompanying an officer pursuant to *subsection (5)*, may require any person present to give to such officer or such other person his or her name and address.

(5) Without prejudice to any power conferred by *subsections (1)* to *(4)*, a judge of the District Court may, if satisfied on the sworn information of an officer that there are reasonable grounds for suspecting that—

(a) anything liable to forfeiture under the law relating to excise,
or

- (b) any records relating to transactions in contravention of the laws relating to excise,

are kept or concealed on or at any premises or place, issue a search warrant.

(6) A search warrant issued under this section shall be expressed and to operate to authorise a named officer accompanied by such other officers and such other persons as the officer considers necessary, at any time or times within one month of the date of issue of the warrant, to enter (if need be by force) the premises or other place named or specified in the warrant, to search such premises or other place, to examine anything found there, to inspect any record found there and, if there are reasonable grounds for suspecting that anything found there is liable to forfeiture under the law relating to excise, or that a record found there may be required as evidence in proceedings under the law relating to excise, to detain or seize the thing as liable to forfeiture or, in the case of a record, to detain it for so long as it is reasonably required for such purpose.

General provision concerning samples.

137.—(1) The provisions of section 6 of the Customs and Inland Revenue Act, 1888, shall apply to the taking of samples of excisable products, except where *section 135(1)(c)* or *136(3)(b)* applies.

(2) The provisions of sections 101 and 102 of the Finance Act, 1998, shall apply to samples of excisable products or other samples taken under the laws relating to excise.

Obligation to answer certain questions, in respect of certain tobacco products.

138.—An officer or a member of the Garda Síochána may require any person whom such officer or member has reasonable cause to believe to be guilty of an offence under section 10A (inserted by the Finance Act, 1994), of the Finance (Excise Duty on Tobacco Products) Act, 1977, to furnish to such officer or member of the Garda Síochána—

- (a) his or her name, address and date of birth,
- (b) all such information in relation to the tobacco products in question as may be reasonably required by such officer or member and which is in the possession or procurement of the person.

Power of arrest and detention of persons.

139.—(1) Where an officer or a member of the Garda Síochána has reasonable grounds to suspect that a person is committing or has committed an offence under—

- (a) *section 119*, or
- (b) section 102(3) of the Finance Act, 1999,

then such officer or member may arrest such person without warrant.

(2) (a) Where an officer has reasonable grounds to believe that a person is committing or has committed an offence under section 10A (inserted by the Finance Act, 1994) of the Finance (Excise Duty on Tobacco Products) Act, 1977, then such officer may detain the person and, as soon as practicable thereafter—

- (i) present the person, or

(ii) bring and present the person,

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to a member of the Garda Síochána.

(b) Where a member of the Garda Síochána has reasonable grounds to believe—

(i) that a person is committing or has committed an offence under section 10A of the Finance (Excise Duty on Tobacco Products) Act, 1977, or

(ii) in case of a person presented or brought and presented to such member by an officer, that an offence under the said section 10A was or had been committed by the person and the person was duly detained by an officer under *paragraph (a)* for the offence and was either presented or brought and presented to such member in accordance with that paragraph,

then, such member may arrest the person without warrant.

140.—(1) Where an officer reasonably suspects that any excisable products, or any other goods, are liable to forfeiture under the law relating to excise then— Detention of goods and vehicles.

(a) all such excisable products or other goods,

(b) any other thing being made use of in the conveyance of such products or goods, and

(c) any vehicle in or on which or attached to which in any manner any such excisable products or goods are found,

may be detained by such officer until such examination, enquiries or investigations as may be deemed necessary by such officer or another officer, have been made for the purposes of determining whether or not such products, goods, thing or vehicle are liable to forfeiture.

(2) Where a member of the Garda Síochána reasonably suspects that any excisable products, other goods or other thing or any vehicle is liable to forfeiture under section 10A (inserted by the Finance Act, 1994) of the Finance (Excise Duty on Tobacco Products) Act, 1977, such products, goods, other thing or vehicle may be detained by such member until such examination, enquiries or investigations as may be deemed necessary by such member or another member, or by an officer, have been made for the purposes of determining whether or not such products, goods, other thing or vehicle are liable to forfeiture.

(3) Where an officer or a member of the Garda Síochána reasonably suspects—

(a) that a vehicle has not been registered in any of the registers established and maintained under Chapter IV of Part II of the Finance Act, 1992,

(b) that a vehicle has been converted (within the meaning of that Chapter) and a declaration in relation to such conversion has not been made under section 131 of the Finance Act, 1992, or

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(c) that vehicle registration tax has not been paid in respect of a vehicle,

then such officer or member may detain such vehicle for such period as is required to carry out such examination, enquiries or investigations as may be deemed necessary by such officer or member to determine to his or her satisfaction whether or not—

- (i) such vehicle has been registered,
- (ii) such declaration has been made, or
- (iii) such vehicle registration tax has been paid.

(4) When a determination referred to in *subsection (1), (2) or (3)* has been made in respect of any excisable products, other goods, other thing or a vehicle or on the expiry of a period of one month from the date on which such products, goods, other thing or vehicle were or was detained under that subsection, whichever is the earlier, such products, goods, other thing or vehicle are to be either seized as liable to forfeiture under the Customs Acts or under *section 141*, or released.

Seizure of goods and vehicles.

141.—(1) Any goods or vehicles that are liable to forfeiture under the law relating to excise may be seized by an officer.

(2) Anything liable to forfeiture under section 10A (inserted by the Finance Act, 1994) of the Finance (Excise Duty on Tobacco Products) Act, 1977, may be seized by a member of the Garda Síochána and shall be delivered to an officer.

Notice of seizure.

142.—(1) Subject to *subsection (2)*, an officer shall give notice of the seizure of anything as liable to forfeiture and of the grounds for seizure to any person who to the officer's knowledge was at the time of the seizure the owner or one of the owners of the thing seized.

(2) Notice under *subsection (1)* need not be given under this section to a person if the seizure was made in the presence of the person, the person whose offence or suspected offence occasioned the seizure or in the case of anything seized in any ship or aircraft, in the presence of the master or commander of such ship or aircraft.

(3) Notice under *subsection (1)* shall be given in writing and the notice shall include a statement of *section 143* and be deemed to have been duly given to the person concerned—

- (a) if it is delivered to the person personally, or
- (b) if it is addressed to the person and left or forwarded by post to the person at the usual or last known place of abode or business of the person or, in the case of a body corporate, at its registered or principal office, or
- (c) if the person has no known address in the State, by publication of notice of the seizure concerned in *Iris Oifigiúil*.

Notice of claim.

143.—(1) A person who claims that anything seized as liable to forfeiture is not so liable (referred to in this section as the "claimant") shall, within one month of the date of the notice of seizure or, where no such notice has been given to the claimant, within

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one month of the date of the seizure, give notice in writing of such claim to the Commissioners. Pr.2 S.143

(2) A notice under *subsection (1)* shall specify the name and address of the claimant and, in the case of a claimant who is outside the State, the name and address of a solicitor in the State who is authorised to accept service of any document required to be served on the claimant and to act on behalf of the claimant.

144.—(1) In this section “claimant” has the same meaning as it has in *section 143*. Power to deal with seizures, before and after condemnation.

(2) The Commissioners may, in their discretion, restore anything seized as liable to forfeiture under the law relating to excise, and the Minister for Finance may order such restoration.

(3) Without prejudice to *subsection (2)*, where a notice relating to the thing seized has been duly given under *section 143*, the Commissioners may as they think fit and notwithstanding that such thing seized has not yet been condemned—

(a) if a notice relating to the thing has been duly given under *section 143*, deliver it up to the claimant on payment to the Commissioners of such sum as they think proper, being a sum not exceeding that which in their opinion represents the value of the thing, including any duty or tax chargeable on it which has not been paid, or

(b) if the thing seized is in the opinion of the Commissioners of a perishable nature, sell or destroy it.

(4) If, where anything is delivered up, sold or destroyed under this section, it is held by the court in proceedings under this section that the thing was not liable to forfeiture at the time of its seizure, the Commissioners shall, subject to any deduction allowed under *subsection (5)*, on demand tender to such claimant—

(a) an amount equal to any sum paid by the claimant under *subsection (2)*,

(b) if they have sold the thing, an amount equal to the proceeds of sale, or

(c) if they have destroyed the thing, an amount equal to the market value of the thing at the time of its seizure.

(5) Where the amount to be tendered under *subsection (4)* includes any sum on account of any duty or tax chargeable on the thing which has not been paid before its seizure, the Commissioners may deduct from the amount so much of it as represents the duty or tax.

(6) If the claimant accepts any amount tendered under *subsection (4)*, such claimant shall not be entitled to maintain proceedings in any court on account of the seizure, detention, sale or destruction of the thing concerned.

(7) All goods seized by an officer or by a member of the Garda Síochána as liable to forfeiture shall after condemnation of such goods be either—

(a) sold or destroyed, or

(b) otherwise disposed of in accordance with regulations made under *section 153*.

(8) Notwithstanding any other provision of this Chapter relating to goods seized as liable to forfeiture, an officer who seizes as liable to forfeiture any spirits or any stills, vessels, utensils, wort or other material for manufacturing, distilling or preparing spirits may at the discretion of such officer forthwith spill, break up or destroy any of those goods.

CHAPTER 5

Miscellaneous

Appeals to
Commissioners.

145.—(1) Any person who has paid or who, in the opinion of the Commissioners, is liable to pay a duty of excise and is called on by them to pay an amount of such duty may appeal in accordance with this section against the decision concerned in respect of the liability or the amount of the duty.

(2) Any person who has claimed or received a repayment of a duty of excise may appeal to the Commissioners against the decision concerned in respect of the amount of such repayment or the refusal of such repayment.

(3) Any person who is the subject of any of the following acts of the Commissioners:

- (a) a refusal to approve a person as an authorised warehousekeeper or a premises as a tax warehouse under *section 109*, or a revocation, under that section, of any such approval that has been granted,
- (b) a refusal to approve a person as a tax representative under *section 113*, or a revocation, under that section, of any such approval that has been granted,
- (c) a refusal to grant registration of a trader under *section 116*, or a revocation, under that section, of any such registration that has been granted,
- (d) a decision in relation to the registration of a vehicle, or the amendment of an entry in or the deletion of an entry from, the register referred to in section 131 of the Finance Act, 1992, by the Commissioners, or on their behalf, under that section 131,
- (e) a determination of an open market selling price of a vehicle under section 133(2) of the Finance Act, 1992, or
- (f) a granting, refusal or revocation of an authorisation under section 136 of the Finance Act, 1992, or a decision in relation to the arrangements for payment of vehicle registration tax under that section 136,

may appeal against such an act to the Commissioners.

(4) An appeal under *subsection (1), (2) or (3)* shall be in writing and shall set forth in detail the grounds of appeal.

(5) An appeal is to be lodged by the person concerned with the Commissioners within the period of 2 months from the date of—

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- (a) the payment of a duty of excise,
- (b) the notification by the Commissioners on being called on by them to pay an amount of a duty of excise,
- (c) the repayment of a duty of excise,
- (d) the notification by the Commissioners of a refusal of a repayment by them of a duty of excise, or
- (e) the notification by the Commissioners of the doing by them of an act referred to in *subsection (3)*,

or within such longer period as the Commissioners may, in exceptional cases, allow.

(6) An appeal shall, subject to *subsection (12)*, be determined by the Commissioners within a period of 30 days from its lodgement with the Commissioners.

(7) The Commissioners may appoint one or more of their officers for the purposes of carrying out their functions under this section but no such officer shall determine an appeal under this section in respect of a decision he or she has made.

(8) The Commissioners shall notify in writing an appellant concerned of their determination of an appeal and the reasons for their determination.

(9) Where the Commissioners determine on appeal that the amount due is less than the amount paid, they shall repay the amount overpaid to the appellant concerned.

(10) Where the Commissioners determine on appeal that the amount due is greater than the amount paid, the appellant concerned shall pay the amount underpaid.

(11) For the purpose of determination of an appeal any goods or vehicles to which the appeal relates are to be produced to the Commissioners for inspection, if so required.

(12) Where an appeal has been lodged but not determined in accordance with *subsection (6)* there shall be deemed to have been a determination by the Commissioners on the last day of the period of 30 days from the date the appeal was lodged that the appeal was not upheld but such deeming shall cease to have effect if a determination is subsequently made by the Commissioners before a determination is made by the Appeal Commissioners under *section 146* in respect of the matter concerned.

(13) The provisions of the Customs Acts or of any instruments made under those Acts, in so far as they apply to appeals concerning duties of excise, shall not apply in relation to any amount of excise duty capable of being the subject of an appeal under this section.

146.—(1) A person who is aggrieved by a determination of the Commissioners under *section 145* may, in accordance with this section, appeal to the Appeal Commissioners against such determination and the appeal is to be heard and determined by the Appeal Commissioners whose determination is final and conclusive unless a case is required to be stated in relation to it for the opinion of the High Court on a point of law.

Appeals to Appeal
Commissioners.

(2) A person who intends to appeal under this section against a determination of the Commissioners shall—

- (a) within 30 days of the notification of such determination, or
- (b) within 30 days of the expiry of the time limit for such determination,

whichever is the earlier, give notice in writing to them of such intention.

(3) Subject to this section—

- (a) Part 40, other than sections 942, 943 and (in so far as it relates to those sections) 944 of the Taxes Consolidation Act, 1997, and
- (b) section 957 of that Act,

shall, with any necessary modifications, apply as they apply for the purpose of income tax.

(4) (a) Subject to *paragraph (c)*, where a notice or other document which is required or authorised to be served by this section falls to be served on a body corporate, such notice is to be served on the secretary or other officer of the body corporate.

(b) Any notice or other document which is required or authorised by this section—

- (i) to be served by the Commissioners or by an appellant may be served by post, and
- (ii) in the case of a notice or other document addressed to the Commissioners, shall be addressed and sent to the Revenue Commissioners, Dublin Castle, Dublin 2.

(c) Any notice or other document which is required or authorised to be served by the Commissioners on an appellant under this section may be sent to the solicitor, accountant or other agent of the appellant and a notice so served is deemed to have been served on the appellant unless the appellant proves to the satisfaction of the Appeal Commissioners, that he or she had, before the notice or other document was served, withdrawn the authority of such solicitor, accountant or other agent to act on his or her behalf.

(5) *Prima facie* evidence of any notice given under this section by the Commissioners or by an officer of the Commissioners may be given in any proceedings by production by an officer of the Commissioners of a document purporting to be a copy of the notice and it shall not be necessary to prove the official position of the person by whom the notice purports to be given or, if it is signed, the signature, or that the person signing and giving it was authorised so to do.

Commissioners or the Appeal Commissioners, as the case may be, Pr.2 S.147 unless such amount of duty has been paid.

148.—Where liability for a duty of excise is the subject of criminal proceedings or a decision is pending on whether to initiate criminal proceedings in respect of such liability, then such liability or the amount of such liability or repayment connected with or sought in respect of such liability may not be appealed under *section 145* or *146* until the determination of such criminal proceedings or a decision is duly taken not to initiate criminal proceedings.

Exclusion of criminal matters.

149.—The enactments set out in *Part 1* and *Part 2* of *Schedule 3* are repealed in the case of those set out in *Part 1*, and revoked in the case of those set out in *Part 2*, to the extent mentioned in the third column of those Parts opposite the reference to the enactment concerned.

Repeals and revocations (*Part 2*).

150.—(1) In this section and *section 151* “repealed enactments” means the enactments repealed or revoked under *section 149*.

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(2) If, and in so far as a provision of this Part operates, as and from the day appointed under *section 152*, in substitution for a provision of the repealed enactments, any order or regulation made or having effect as if made, and anything done or having effect as if done, under the substituted provision before that day is to be treated on and from that day as if it were an order or regulation made or a thing done under the provision of this Part which so operates.

151.—(1) The provisions of this Part shall apply subject to so much of any Act which contains provisions relating to or affecting excise duties as—

Continuity.

(a) is not repealed by this Part, and

(b) would have operated in relation to these duties if this Part had not been substituted for the repealed enactments.

(2) The continuity of the operation of the law relating to excise duties shall not be affected by the substitution of this Part for the repealed enactments.

(3) Any reference, whether express or implied, in any enactment or document (including this Part)—

(a) to any provision of this Part, or

(b) to things done or to be done under or for the purposes of any provision of this Part,

shall, if and in so far as the nature of the reference permits, be construed as including, in relation to the times, years or periods, circumstances or purposes in relation to which the corresponding provision in the repealed enactments applied or had applied, a reference to, or, as the case may be, to things done or to be done under or for the purposes of, that corresponding provision.

(4) Any reference, whether express or implied, in any enactment or document (including the repealed enactments and enactments passed and documents made)—

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- (a) to any provision of the repealed enactments, or
- (b) to things done or to be done under or for the purposes of any provision of the repealed enactments,

shall, if and in so far as the nature of the reference permits, be construed as including, in relation to the times, years or periods, circumstances or purposes in relation to which the corresponding provision of this Part applies, a reference to, or as the case may be, to things done or deemed to be done or to be done under or for the purposes of, that corresponding provision.

(5) All officers who stood authorised or nominated for the purposes of any provision of the repealed enactments are deemed to be authorised or nominated, as the case may be, for the purposes of the corresponding provision of this Part.

(6) All instruments, documents, authorisations and letters or notices of appointment made or issued under the repealed enactments and in force immediately before the commencement of this provision shall continue in force as if made or issued under this Part.

Commencement.

152.—This Part shall come into operation on such day as the Minister may appoint by order, and different days may be so appointed for different provisions or for different purposes.

Regulations.

153.—(1) The Commissioners, for the purposes of giving effect to this Part and of managing, securing and collecting excise duties or for the protection of the revenues derived from such duties may make regulations.

(2) In particular, but without prejudice to the generality of *subsection (1)*, regulations under this section may, in respect of the excisable products referred to in *section 97(1)*, make provision—

- (a) governing the securing, paying, collecting, remitting and repaying of excise duty,
- (b) governing the production, processing and holding of such products under a suspension arrangement,
- (c) governing the approval and the conditions to be attached to the approval of an authorised warehousekeeper and of a tax warehouse,
- (d) governing the conditions to be complied with by a non-State vendor in relation to excisable products being dispatched by or on behalf of such vendor to the State,
- (e) governing the registration, and the conditions to be attached to such registration, of a registered trader, including the provision of security, the accounts and records to be kept and the control requirements to be complied with,
- (f) governing the conditions to be imposed on a non-registered trader, including the provision of security, the form and content of the declaration to be given in advance of the dispatch of excisable products from another Member State under a suspension arrangement and the control requirements to be complied with,

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- (g) governing the approval and the conditions to be attached to the approval of a tax representative, including the provision of security, the keeping of accounts and records and notification of the place of delivery of excisable products,
- (h) specifying in relation to an accompanying document referred to in *section 117*—
 - (i) the form of the document to be used,
 - (ii) the person responsible for completion of that document,
 - (iii) the completion of that document and its proper content, and the correct procedures for issue of that document, including the number of copies to be issued and the persons to whom they are to be issued,
 - (iv) the form of endorsement which is to be accepted as evidence that excisable products have been received in another Member State, including whether such endorsement is to include certification of receipt by the authorities of particular Member States,
 - (v) cases where evidence of receipt of excisable products in another Member State is not received, including the nature of any action to be taken within specified time limits,
- (i) specifying, in relation to such accompanying document, the obligations, requirements and procedures to be complied with by persons resident or established in the State receiving excisable products under a suspension arrangement from another Member State including the obligations, requirements and procedures to be complied with—
 - (i) on receipt of a copy or copies of that document from another Member State, or
 - (ii) where a copy or copies of that document are not received or where any such copy is incomplete or where it does not accompany excisable products received,
- (j) specifying in relation to such accompanying document, the obligations, requirements and procedures to be complied with by persons—
 - (i) receiving or intending to receive from another Member State excisable products released for consumption in that Member State, or
 - (ii) dispatching or intending to dispatch to another Member State excisable products released for consumption in the State,
- (k) specifying, in relation to a duty document referred to in *section 117*, the form of that document and any necessary control requirements relating to its authentication,

- (l) specifying, in relation to the exemption certificate referred to in *section 117*, the form of that certificate and any necessary control requirements relating to its authentication,
- (m) governing the conditions to be complied with by a person who acquires excisable products released for consumption in another Member State for importation into the State,
- (n) establishing rules and criteria in relation to excisable products released for consumption in another Member State and imported into the State by a private individual whereby such products may be regarded as being imported for commercial purposes,
- (o) providing for the conditions to be attached to, and the procedures to be complied with, in any case where repayment of excise duty is claimed on the delivery for commercial purposes of excisable products on which excise duty has been paid in the State to another Member State or on the purchase of such products from a State vendor by a person in another Member State,
- (p) governing any conditions to be complied with in relation to the remission of excise duty on losses of excisable products incurred during the production, processing, holding or transportation of such products under a suspension arrangement, or on losses incurred in the course of transportation of such products to the State under a suspension arrangement,
- (q) requiring that excisable products be packaged, marked, or put up in sealed containers in order to facilitate identification of products being moved under suspension,
- (r) requiring that excisable products released for consumption in the State be marked, stamped or made otherwise identifiable as being duty paid,
- (s) specifying the obligations, requirements and procedures to be complied with by a person in the State receiving wine under a suspension arrangement from a small wine producer, and
- (t) prescribing the conditions to be fulfilled and the procedures to be followed by any person claiming repayment of excise duty under *section 105*, and, in particular—
 - (i) the form, manner and time of making an application for repayment of the duty,
 - (ii) the nature of the evidence of payment of duty in the State to be provided with such application,
 - (iii) the requirement of evidence of payment or securing of the excise duty in the Member State to which the excisable products are to be delivered,

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- (iv) the requirement of the use of an accompanying document, as provided for in *section 117*, Pr.2 S.153
- (v) the nature of the evidence of delivery of the excisable products where delivered from the State to be provided with such application, and
- (vi) any other such conditions and requirements as appear to the Commissioners to be necessary.

PART 3

CUSTOMS AND EXCISE

Miscellaneous

154.—(1) In this section and in *Schedule 4*— Tobacco products.

“Act of 1977” means the Finance (Excise Duty on Tobacco Products) Act, 1977;

“cigarettes”, “cigars”, “fine-cut tobacco for the rolling of cigarettes” and “smoking tobacco” have the same meanings as they have in the Act of 1977, as amended by section 86 of the Finance Act, 1997.

(2) The duty of excise on tobacco products imposed by section 2 of the Act of 1977, shall, in lieu of the several rates specified in Schedule 3 to the Finance Act, 2000, be charged, levied and paid, as on and from 1 January 2001 at the several rates specified in *Schedule 4*.

155.—(1) The rebate of duty on mineral hydrocarbon light oil provided for in section 56(3) of the Finance Act, 1988, shall, as respects mineral hydrocarbon light oil on which it is shown to the satisfaction of the Revenue Commissioners that duty at the rate specified in section 89(2) of the Finance Act, 1998, has been paid on or after 7 December 2000, be calculated at the rate of £86.92 per 1,000 litres. Hydrocarbons and substitute motor fuel.

(2) The duty of excise on hydrocarbon oil imposed by Paragraph 12(1) of the Imposition of Duties (No. 221) (Excise Duties) Order, 1975 (S.I. No. 307 of 1975), shall, in lieu of the rate specified in section 82(5) of the Finance Act, 1997, be charged, levied and paid, as on and from 7 December 2000, at the rate of £196.14 per 1,000 litres.

(3) The duty of excise on substitute motor fuel imposed by section 116(2) of the Finance Act, 1995, shall, in lieu of the rate specified in section 82(6) of the Finance Act, 1997, be charged, levied and paid, as on and from 7 December 2000, at the rate of £196.14 per 1,000 litres.

(4) *Subsection (2)* shall, on and from such day as may be specified by order of the Minister for Finance, apply only to hydrocarbon oil with a maximum sulphur content of 50 milligrammes per kilogramme.

156.—(1) The Finance Act, 1999, is amended by the substitution of the following Schedule for Schedule 2: Rates of mineral oil tax.

“SCHEDULE 2

RATES OF MINERAL OIL TAX

| Description of Product | Rate of Duty |
|--|-------------------------|
| | £ |
| <i>Light Oil:</i> | |
| Leaded petrol | 361.36 per 1,000 litres |
| Unleaded petrol | 274.44 per 1,000 litres |
| Super unleaded petrol | 357.22 per 1,000 litres |
| Aviation gasoline | 180.68 per 1,000 litres |
| <i>Heavy Oil:</i> | |
| Used as a propellant | 196.14 per 1,000 litres |
| Kerosene used other than as a propellant | 25.00 per 1,000 litres |
| Fuel oil | 10.60 per 1,000 litres |
| Other heavy oil | 37.30 per 1,000 litres |
| <i>Liquefied Petroleum Gas:</i> | |
| Used as a propellant | 41.75 per 1,000 litres |
| Other liquefied petroleum gas | 14.30 per 1,000 litres |
| <i>Substitute Fuel:</i> | |
| Used as a propellant | 196.14 per 1,000 litres |
| Other substitute fuel | 37.30 per 1,000 litres |

”.

- (2) (a) The Finance Act, 1999, is amended by the substitution of the following Schedule for Schedule 2 (inserted by *subsection(1)*):

“SCHEDULE 2

RATES OF MINERAL OIL TAX

| Description of Product | Rate of Duty |
|---|-------------------------|
| | £ |
| <i>Light Oil:</i> | |
| Leaded petrol | 361.36 per 1,000 litres |
| Unleaded petrol | 274.44 per 1,000 litres |
| Super unleaded petrol | 357.22 per 1,000 litres |
| Aviation gasoline | 180.68 per 1,000 litres |
| <i>Heavy Oil:</i> | |
| Used as a propellant with a maximum sulphur content of 50 milligrammes per kilogramme | 196.14 per 1,000 litres |
| Other heavy oil used as a propellant | 256.14 per 1,000 litres |
| Kerosene used other than as a propellant | 25.00 per 1,000 litres |
| Fuel oil | 10.60 per 1,000 litres |
| Other heavy oil | 37.30 per 1,000 litres |
| <i>Liquefied Petroleum Gas:</i> | |
| Used as a propellant | 41.75 per 1,000 litres |
| Other liquefied petroleum gas | 14.30 per 1,000 litres |
| <i>Substitute Fuel:</i> | |
| Used as a propellant | 196.14 per 1,000 litres |
| Other substitute fuel | 37.30 per 1,000 litres |

”.

- (b) This subsection shall come into operation on such day as the Minister for Finance appoints by order.

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157.—Section 10 (as amended by the Finance Act, 1989) of the Finance (Excise Duty on Tobacco Products) Act, 1977, is amended in subsection (5) by the substitution of “£1,500” for “£500”.

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Amendment of section 10 (tobacco products manufacturer’s licence) of Finance (Excise Duty on Tobacco Products) Act, 1977.

158.—Section 10A (inserted by the Finance Act, 1994) of the Finance (Excise Duty on Tobacco Products) Act, 1977, is amended—

Amendment of section 10A (offences in relation to tax stamps) of Finance (Excise Duty on Tobacco Products) Act, 1977.

(a) in subsection (3)(a) by the substitution of “£1,500” for “£1,000”, and

(b) by the substitution of the following subsection for subsection (4):

“(4) In a prosecution for an offence under subsection (1) of this section, it shall be presumed until the contrary is shown—

(a) that duty had not been paid in respect of any pack or packs which do not have a tax stamp affixed thereto,

(b) that in respect of any pack or packs which do not have a tax stamp affixed thereto—

(i) *section 104(2)*, of the *Finance Act, 2001* does not apply,

(ii) the pack or packs are not being held under a duty-suspension arrangement, and

(iii) the Revenue Commissioners have not permitted, under section 2A(1), payment of the duty to be subject to section 2A(4),

(c) in the case of a prosecution for keeping for sale or delivery, that the tobacco products concerned were so kept and were not kept for private use,

(d) that a thing is a cigarette or other tobacco product where, in the opinion of an officer of the Revenue Commissioners, it is contained in any form of packaging which, by virtue of any wording thereon, its shape and other characteristics, is indicative of the contents consisting of one or more than one cigarette or of another tobacco product and the officer so states that opinion.”.

159.—Section 11 (as amended by the Finance Act, 1994) of the Finance (Excise Duty on Tobacco Products) Act, 1977, is hereby amended by the substitution of “£1,500” for “£1,000”.

Amendment of section 11 (offences) of Finance (Excise Duty on Tobacco Products) Act, 1977.

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Amendment of section 21 (duties on hydrocarbon oil) of Finance Act, 1935.

160.—Section 21 of the Finance Act, 1935 (as amended by the Finance Act, 1983) is amended in subsection (12) by the substitution of “a penalty, under the law relating to customs or the law relating to excise (as the case may be), of £1,500” for “a penalty, under the law relating to customs or the law relating to excise (as the case may be), of £1,000”.

Amendment of section 72 (removal of prescribed marker, etc. from hydrocarbon oil) of Finance Act, 1986.

161.—Section 72 of the Finance Act, 1986, is amended in subsection (4) by the substitution of “a penalty, under the law relating to customs or the law relating to excise (as the case may be), of £1,500” for “a penalty, under the law relating to customs or the law relating to excise (as the case may be) of £1,000”.

Amendment of section 57 (removal of substances mixed with goods liable to excise duty) of Finance Act, 1988.

162.—Section 57 of the Finance Act, 1988, is amended in subsection (3)(a) by the substitution of “an excise penalty not exceeding £1,500” for “an excise penalty not exceeding £1,000”.

Amendment of section 94 (interpretation, Chapter 1) of Finance Act, 1999.

163.—Section 94 of the Finance Act, 1999, is amended in subsection (1) by the substitution of the following definitions, respectively, for the definitions of “standard tank” and “substitute fuel”:

“‘standard tank’, in relation to a motor vehicle or other mechanically propelled vehicle, means—

- (a) a tank of a type permanently fixed by the manufacturer to all vehicles of the same type as the vehicle concerned and whose permanent fitting enables fuel to be used directly, both for the purpose of propulsion and, where appropriate, for the operation, during transport, of refrigeration systems and other systems,
- (b) a gas tank fitted to a vehicle designed for the direct use of gas as a fuel and a tank fitted to any other system with which the vehicle may be equipped, or
- (c) a tank of a type permanently fixed by the manufacturer to all containers of the same type as the container concerned and whose permanent fitting enables fuel to be used directly for the operation, during transport, of the refrigeration systems or other systems with which a special container is equipped;

‘substitute fuel’ means any product, including biofuel, in liquid form, manufactured, produced or intended for use, capable of being used or used as fuel for a motor or as heating fuel but does not include an additive, hydrocarbon oil or liquefied petroleum gas;”.

Amendment of section 99 (passenger road services) of Finance Act, 1999.

164.—Section 99 of the Finance Act, 1999, is amended by the substitution of the following for subsection (1) (inserted by the Finance Act, 2000):

“(1) Where a person who—

- (a) carries on a passenger road service within the meaning of section 2 of the Road Transport Act, 1932, pursuant to a passenger licence granted under section 11 of that Act,

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- (b) lawfully carries on, other than pursuant to such a licence, such a passenger road service, Pr.3 S.164
- (c) provides a school transport service pursuant to an agreement with the Minister for Education and Science, or
- (d) carries on a passenger road service or provides a school transport service pursuant to an agreement with a person to whom and in respect of such service to which paragraph (a), (b) or (c), as may be appropriate, applies,

shows to the satisfaction of the Commissioners that heavy oil on which mineral oil tax has been paid has been used by such person for combustion in the engine of a mechanically propelled vehicle in the course of providing such service, the Commissioners shall, subject to compliance with such conditions as they may think fit, repay to such person the amount of mineral oil tax paid less an amount calculated at the rate of £17.90 per 1,000 litres on such mineral oil so used.”.

165.—Section 100 of the Finance Act, 1999, is amended in subsection (1)—

Amendment of section 100 (reliefs from mineral oil tax for certain mineral oils) of Finance Act, 1999.

- (a) by the substitution of the following paragraph for paragraph (f):

“(f) mineral oil present, at the time of importation into the State, in the standard tank of a commercial motor vehicle or of an other commercial mechanically propelled vehicle provided that, in the case of oil in a fuel tank, such oil was released in a Member State for use as a propellant;”.

and

- (b) by the substitution of the following paragraphs for paragraph (k):

“(k) mineral oil in respect of which the Minister thinks it proper to repay or remit mineral oil tax or part of that tax to the extent that the Minister thinks proper;

(l) mineral oil used by a manufacturer in the production of mineral oil.”.

166.—Section 102 of the Finance Act, 1999, is amended in subsections (2) and (4)(a) by the substitution of “a fine of £1,500” for “a fine of £1,000”.

Amendment of section 102 (offences) of Finance Act, 1999.

167.—(1) In this section—

“Act of 1993” means the Finance Act, 1993.

Deferment of duty on beer, made wine, wine and spirits.

(2) Chapter III of Part II of the Act of 1993 is amended—

(a) by the substitution of the following for section 74, as amended by section 81 of the Finance Act, 1996:

“Deferment of duty on beer.

74.—The Revenue Commissioners may, subject to compliance with such conditions for securing payment of the duty as they may think fit to impose, permit payment of the duty imposed by section 90 of the Finance Act, 1992, to be deferred to a day not later than the last day of the month succeeding the month in which the duty is payable.”,

and

(b) by the substitution of the following for subsection (3) of section 75:

“(3) The Revenue Commissioners may, subject to compliance with such conditions for securing payment of the duty as they may think fit to impose, permit payment of the duty imposed by paragraph 6(2) of the Order of 1975, to be deferred to a day not later than the last day of the month succeeding the month in which the duty is payable.”.

(3) The Imposition of Duties (No. 221) (Excise Duties) Order, 1975 (S.I. 307 of 1975) is amended—

(a) by the substitution of the following for subparagraph (3) (inserted by section 93 of the Finance Act, 1998) of Paragraph 4:

“(3) The Revenue Commissioners may, subject to compliance with such conditions for securing payment of the duty as they may think fit to impose, permit payment of the duty imposed by subparagraph (2) of this Paragraph to be deferred to a day not later than the last day of the month succeeding the month in which the duty is payable.”,

and

(b) by the substitution of the following for subparagraph (2A) (as amended by section 75 of the Finance Act, 1993) of Paragraph 5:

“(2A) The Revenue Commissioners may, subject to compliance with such conditions for securing payment of the duty as they may think fit to impose, permit payment of the duty imposed by subparagraph (2) of this Paragraph to be deferred to a day not later than the last day of the month in which the duty is payable.”.

Remission or repayment in respect of vehicle registration tax on certain hybrid electric vehicles.

168.—Chapter IV of Part II of the Finance Act, 1992, is amended by the insertion of the following after section 135B:

“135C.—(1) Where a person first registers a category A vehicle or a category B vehicle during the period from 1 January 2001 to 31 December 2002 and the Commissioners are satisfied that the vehicle is a series production hybrid electric vehicle, the Commissioners may remit or repay to that person 50 per cent

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of the vehicle registration tax payable or paid in accordance with Pr.3 S.168 paragraphs (a), (aa), (b) or (c) of section 132(3).

(2) In this section ‘hybrid electric vehicle’ means a vehicle that derives its motive power from a combination of an electric motor and an internal combustion engine and is capable of being driven on electric propulsion alone for a material part of its normal driving cycle.”.

169.—(1) Section 130 of the Finance Act, 1992, is amended—

Amendment of section 130 (interpretation) of Finance Act, 1992.

(a) by the substitution of the following definition for the definition of “category B vehicle” (as amended by section 72 of the Finance Act, 1996):

“‘category B vehicle’ means a vehicle (other than a category A vehicle, a category D vehicle, a motorcycle or a listed vehicle) which—

(a) in the case of a crew cab—

(i) has a cargo area length of not more than 45 per cent of its wheelbase, and

(ii) is not more than 2,519 kilograms gross vehicle weight,

or

(b) in the case of a motor caravan, is not more than 3,000 kilograms unladen weight, or

(c) is not more than 2,519 kilograms gross vehicle weight or not more than 2.449 metres wheelbase:

but if a vehicle is of not more than 1,600 kilograms unladen weight and the roofed area of the vehicle to the rear of the driver’s seat has a load volume of more than 2 cubic metres when measured in such manner as the Commissioners may approve, the vehicle shall not be regarded as a category B vehicle;”.

and

(b) by the substitution of the following definition for the definition of “crew cab” (inserted by section 72 of the Finance Act, 1996):

“‘crew cab’ means a vehicle which is shown to the satisfaction of the Commissioners to comprise a cab with seating for a driver and a minimum of 3 and a maximum of 6 other persons and a cargo area to the rear of the cab which is completely separated from the cab by a partition which is permanently fixed;”.

(2) This section shall come into operation on such day as the Minister for Finance may appoint by order.

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Excise duty on mineral oil licence.

170.—Section 101 of the Finance Act, 1999, is amended by the substitution, in subsection (8), of “£200” for “£30”.

Imposition of duty on liquor licence for National Concert Hall.

171.—(1) There shall be charged, levied and paid on a licence granted pursuant to section 2 of the Intoxicating Liquor (National Concert Hall) Act, 1983, and on the due renewal of every such licence a duty of excise of £200.

(2) A licence granted by the Revenue Commissioners pursuant to section 2 of the Intoxicating Liquor (National Concert Hall) Act, 1983, shall expire at midnight on the next following 30 September after the passing of this Act or the commencement of the period to which the licence relates whichever is the later, and may be renewed.

Tax clearance in relation to excise licences.

172.—Section 2 of the Intoxicating Liquor (National Concert Hall) Act, 1983, is amended by the insertion of the following after subsection (1):

“(1A) Notwithstanding anything to the contrary in any other enactment, a licence shall not be granted or renewed by the Revenue Commissioners under this section in respect of any period commencing on or after 1 October 2001 unless a tax clearance certificate in relation to the licence or its renewal has been issued in accordance with section 1094 of the Taxes Consolidation Act, 1997.”.

Amendment of section 49 (grant of licences and date of expiration of licences) of Finance (1909-10) Act, 1910.

173.—Section 49 of the Finance (1909-10) Act, 1910, is amended in the proviso (inserted by section 156 of the Finance Act, 1992) to subsection (1) by the substitution of “a spirits retailer’s on-licence, a spirits retailer’s off-licence, a wine retailer’s on-licence, a wine retailer’s off-licence or a beer retailer’s off-licence” for “a spirits retailer’s on-licence, a spirits retailer’s off-licence or a wine retailer’s on-licence”.

Amendment of section 18 (firearm certificate duty) of Finance Act, 1964.

174.—Section 18 of the Finance Act, 1964, is amended by the substitution in subsection (1), in the definition of “firearm certificate”, of “Firearms Acts, 1925 to 2000” for “Firearms Acts, 1925 and 1964”.

Amendment of Chapter III (amusement machine licence duty) of Part II of Finance Act, 1992.

175.—Chapter III of Part II of the Finance Act, 1992, is amended in section 120 (interpretation of Chapter III)—

(a) by the insertion in subsection (1) of the following definition after the definition of “public place”:

“ ‘the public’ includes members of clubs, organisations and other distinct groupings of individuals;”,

and

(b) by the substitution in subsection (2) of the following for paragraph (d):

“(d) when played once and successfully by a player, affords that player no more than an opportunity—

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- (i) to play again once more without paying to play, or
- (ii) to obtain a non-monetary prize which, if available for purchase or a similar item were so available, would not normally exceed £5 in value.”.

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176.—Section 43 of the Finance Act, 1975, is amended—

Amendment of section 43 (gaming machine licence duty) of Finance Act, 1975.

- (a) by the insertion in subsection (1) of the following definition after the definition of “premises”:

“ ‘the public’ includes members of clubs, organisations and other distinct groupings of individuals;”,

and

- (b) by the substitution in paragraph (a) of subsection (2) of the following:

“affords that player no more than an opportunity—

- (i) to play again once more without paying to play, or
- (ii) to obtain a non-monetary prize which, if available for purchase or a similar item were so available, would not normally exceed £5 in value,

shall be deemed not to be a gaming machine.”,

for “affords that player no more than an opportunity to play again (once or more often) without paying to play shall be deemed not to be a gaming machine.”.

177.—(1) Section 34 of the Finance Act, 1963, is amended—

Amendment of section 34 (amendments relative to penalties) of Finance Act, 1963.

- (a) in subsection (4)—

- (i) by the substitution in paragraph (c)(i) of “£1,500” for “£1,000” (inserted by the Finance Act, 1983),
- (ii) by the substitution in paragraph (d)(ii) of “£1,500” for “£1,000” (as so inserted),

and

- (b) by the substitution in subsection (5) of “£1,500” for “£1,000” (as so inserted).

(2) With effect on and from 1 January 2002, section 34 of the Finance Act, 1963, is amended—

- (a) in subsection (4)—

- (i) by the substitution in paragraph (c)(i) of “€1,900” for “£1,500” (inserted by *subsection (1)*),
- (ii) by the substitution in paragraph (d)(ii) of “€1,900” for “£1,500” (as so inserted),

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and

(b) by the substitution in subsection (5) of “€1,900” for “£1,500” (as so inserted).

Amendment of section 89 (amendment of penalties under section 186 (illegally importing) of Customs Consolidation Act, 1876) of Finance Act, 1997.

178.—(1) Section 89 of the Finance Act, 1997, is amended by the substitution in paragraph (a) of “£1,500” for “£1,000”.

(2) With effect on and from 1 January 2002, section 89 of the Finance Act, 1997, is amended by the substitution in paragraph (a) of “€1,900” for “£1,500” (inserted by *subsection (1)*).

Amendment of Customs Consolidation Act, 1876.

179.—The Customs Consolidation Act, 1876, is amended—

(a) by the deletion of section 172,

(b) in section 202 by the substitution of “of an officer of the Revenue Commissioners” for “of the Collector or other proper officer of Customs at the nearest Customs House”, and

(c) by the substitution of the following section for section 257:

“Institution of summary proceedings.

257.—Notwithstanding the provisions of any other enactment, summary proceedings in relation to any offence under the Customs Acts may be instituted within 3 years from the date of the offence.”.

Repeal of the Customs Consolidation Act, 1876, Amendment Act, 1890.

180.—The Customs Consolidation Act, 1876, Amendment Act, 1890, is repealed.

PART 4

VALUE-ADDED TAX

Interpretation (*Part 4*).

181.—In this Part—

“Principal Act” means the Value-Added Tax Act, 1972;

“Act of 1978” means the Value-Added Tax (Amendment) Act, 1978;

“Act of 1995” means the Finance Act, 1995;

“Act of 1999” means the Finance Act, 1999;

“Act of 2000” means the Finance Act, 2000.

Amendment of section 3 (supply of goods) of Principal Act.

182.—Section 3 of the Principal Act is amended in subsection (5)—

(a) in subparagraph (iii) of paragraph (b) by the insertion after “person” of “even if that business or that part thereof had ceased trading”, and

(b) by the insertion of the following after paragraph (c) (inserted by the Act of 1999):

[2001.]

Finance Act, 2001.

[*No. 7.*]

“(d) The disposal of goods by an insurer who has taken possession of them from the owner of those goods, in this subsection referred to as the “insured”, in connection with the settlement of a claim under a policy of insurance, being goods—

(a) in relation to the acquisition of which the insured had borne tax, and

(b) which are of such a kind or were used in such circumstances that no part of the tax borne was deductible by the insured,

shall be deemed for the purposes of this Act not to be a supply of goods.”.

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183.—Section 5 of the Principal Act is amended—

Amendment of section 5 (supply of services) of Principal Act.

(a) in subsection (6)(e) by the insertion of the following after subparagraph (iii) (inserted by the Finance Act, 1986):

“(iiiia) in case they are received, otherwise than for a business purpose, by a person in the State (referred to in this subparagraph as the ‘recipient’) and are supplied by a person who has his establishment in another Member State of the Community, in circumstances in which value-added tax referred to in Council Directive No. 77/388/EEC of 17 May 1977 is not payable in that Member State because the recipient held himself out or allowed himself to be held out as a taxable person within the meaning of Article 4 of that Directive in respect of such supplies, the State,”

and

(b) by the substitution of the following for subsection (8) (inserted by the Act of 1978):

“(8) (a) The transfer of goodwill or other intangible assets of a business, in connection with the transfer of the business or part thereof, even if that business or that part thereof had ceased trading, by—

(i) a taxable person to another taxable person or a flat-rate farmer, or

(ii) a person who is not a taxable person to another person,

shall be deemed, for the purposes of this Act, not to be a supply of services.

(b) For the purposes of this subsection, ‘taxable person’ shall not include a person who is a taxable person solely by virtue of subsections (1A) and (2) of section 8.”.

184.—Section 8(2) of the Principal Act is amended in paragraph (a) (inserted by the Finance Act, 1993) by the insertion of “, (iiiia)” after “(iii)”.

Amendment of section 8 (taxable persons) of Principal Act.

Pt.4

Amendment of section 10A (margin scheme goods) of Principal Act.

185.—Section 10A (inserted by the Act of 1995) of the Principal Act is amended in the definition of “margin scheme goods” (inserted by the Act of 1999) by the substitution of “paragraphs (c) and (d) of subsection (5) of section 3” for “section 3(5)(c)”.

Amendment of section 10B (special scheme for auctioneers) of Principal Act.

186.—Section 10B (inserted by the Act of 1995) of the Principal Act is amended by the insertion of the following after paragraph (aa) (inserted by the Act of 1999):

“(aaa) an insurer within the meaning of section 3(5)(d) (inserted by this Act) who took possession of those goods in connection with the settlement of a claim under a policy of insurance and whose disposal of the goods is deemed not to be a supply of the goods in accordance with section 3(5)(d) (inserted by this Act)”.

Amendment of section 11 (rates of tax) of Principal Act.

187.—Section 11 of the Principal Act is amended in subsection (1) (inserted by the Finance Act, 1992)—

(a) by the substitution in paragraph (a) of “20 per cent” for “21 per cent”, and

(b) by the substitution in paragraph (f) of “4.3 per cent” for “4.2 per cent” (inserted by the Act of 2000).

Amendment of section 12 (deduction for tax borne or paid) of Principal Act.

188.—Section 12 of the Principal Act is amended—

(a) by the insertion in paragraph (a) of subsection (1) after “deduct”, of “, subject to making any adjustment required in accordance with section 12D,”,

(b) by the insertion in paragraph (b) (inserted by the Finance Act, 1987) of subsection (1) of the following after paragraph (ia):

“(ib) the operation, in accordance with Commission Regulation (EC) No. 2777/2000 of 18 December 2000, of the Cattle Testing or Purchase for Destruction Scheme, by a body who is a taxable person by virtue of the Value-Added Tax (Agricultural Intervention Agency) Order, 2001 (S.I. No. 11 of 2001).”,

and

(c) by the substitution in paragraph (f) of subsection (4) (inserted by the Act of 2000) of “shall” for “may”.

Amendment of section 12A (special provisions for tax invoiced by flat-rate farmers) of Principal Act.

189.—Section 12A (inserted by the Act of 1978) of the Principal Act is amended in subsection (1) by the substitution of “4.3 per cent” for “4.2 per cent” (inserted by the Act of 2000).

[2001.]

Finance Act, 2001.

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190.—Section 12B (inserted by the Act of 1995) of the Principal Act is amended in subsection (2)(aa) by the substitution of “paragraphs (c) and (d) of subsection (5) of section 3” for “section 3(5)(c)”.

Pr.4
Amendment of section 12B (special scheme for means of transport supplied by taxable dealers) of Principal Act.
Adjustment of tax deductible in certain circumstances.

191.—The Principal Act is amended by the insertion of the following after section 12C—

“12D.—(1) For the purposes of this section—

‘full year’ shall be any continuous period of twelve months;

‘interest’ in relation to immovable goods has the meaning assigned to it by section 4.

(2) Where—

(a) a person makes a transfer of an interest in immovable goods in accordance with section 3(5)(b)(iii), and

(b) but for the application of that section, tax would have been chargeable on the transfer, and the person (referred to in this section as a ‘transferor’) was entitled to deduct part of the tax charged on the most recent purchase or acquisition of an interest in, or the development of, the immovable goods subject to that transfer,

that transferor shall, for the purposes of section 12, be entitled to increase the amount of tax deductible for the taxable period within which the transfer is made by an amount calculated in accordance with the following formula:

$$\frac{(T - TD) \times (Y - N)}{Y}$$

where—

T is the tax chargeable on that most recent purchase or acquisition of an interest in, or that development of, the immovable goods,

TD is the tax that the transferor was entitled to deduct on that most recent purchase or acquisition of an interest in, or that development of, the immovable goods,

Y is 20 or, if the interest when it was created in the immovable goods being transferred was for a period of less than 20 years, the number of full years in that interest, and

N is the number of full years since the interest was created or, if the goods were developed since that interest was created, the number of full years since the most recent development:

but if that N is greater than that Y, such an amount calculated shall be deemed to be nil.

(3) Where a transferor acquired an interest in immovable goods as a result of a transfer in accordance with section 3(5)(b)(iii) and the transferor did not develop those immovable goods since the acquisition then, for the purposes of subsection

(2), the amount by which that transferor shall be entitled to increase the amount of tax deductible, in accordance with section 12, for the taxable period in which the transferor transfers those goods, shall be calculated in accordance with the following formula:

$$\frac{A \times (Y - N)}{Y}$$

where—

A is the amount which the transferor was required to calculate and reduce his or her deductible amount by, in accordance with subsection (4), when the transferor acquired the interest in those goods,

Y is 20 or, if the interest when it was created in the immovable goods being transferred was for a period of less than 20 years, the number of full years in that interest, and

N is the number of full years since the interest was created or, if the goods were developed since that interest was created, the number of full years since the most recent development:

but if that N is greater than that Y, such an amount calculated shall be deemed to be nil.

(4) Where a person receives an interest in immovable goods as a result of a transfer and the person would not have been entitled to deduct all the tax that would have been chargeable on the transfer but for the application of section 3(5)(b)(iii), that person shall reduce the amount of tax deductible by that person, for the purposes of section 12, for the period within which the transfer was made, by an amount calculated in accordance with the following formula:

$$\frac{(T1 - TD1) \times (Y - N)}{Y}$$

where—

T1 is the amount of tax that would have been chargeable on the transfer if section 3(5)(b)(iii) did not apply,

TD1 is the amount of tax that would have been deductible by the transferee if section 3(5)(b)(iii) had not applied to the transfer,

Y is 20 or, if the interest when it was created in the immovable goods being transferred was for a period of less than 20 years, the number of full years in that interest, and

N is the number of full years since the interest was created or, if the goods were developed since that interest was created, the number of full years since the most recent development:

but if that N is greater than that Y, such an amount calculated shall be deemed to be nil.”.

[2001.]

Finance Act, 2001.

[No. 7.]

192.—Section 13A of the Principal Act (inserted by the Finance Act, 1993) is amended in subsection (1) by the substitution in the definition of “qualifying person” of “subparagraphs (a)(I), (aa), or (b)” for “subparagraph (a)(I) or (b)”.

Pt.4
Amendment of section 13A (supplies to, and intra-Community acquisitions and imports by, certain taxable persons) of Principal Act.

193.—Section 17 of the Principal Act is amended—

Amendment of section 17 (invoices) of Principal Act.

(a) by the substitution of the following for subsection (1A) (inserted by the Finance Act, 1986):

“(1A) (a) An invoice or other document required to be issued by a person under this section shall, subject to paragraph (b), be deemed to be so issued by that person if the particulars which are required by regulations to be contained in such invoice or other document are recorded, retained and transmitted electronically by a system or systems which ensures the integrity of those particulars and the authenticity of their origin, without the issue of any invoice or other document containing those particulars.

(b) An invoice or other document required to be issued under this section shall not be deemed by paragraph (a) to be so issued unless the person, who is required to issue such invoice or other document, complies with such conditions as are specified by regulations and the system or systems used by that person conforms with such specifications as are required by regulations.

(c) The person who receives a transmission referred to in paragraph (a) shall not be deemed to be issued with an invoice or other document required to be issued under this section unless the particulars which are required by regulations to be contained in such invoice or other document are received electronically in a system which ensures the integrity of those particulars and the authenticity of their origin and unless the system conforms with such specifications as are required by regulations and that person complies with such conditions as are specified by regulations.”,

(b) by the insertion of the following after subsection (1AA) (inserted by the Finance Act, 1996):

“(1AAA) Where a person, referred to in this subsection as the ‘owner’, supplies financial services of the kind specified in subparagraph (i)(e) of the First Schedule in respect of goods which are supplied within the meaning of section (3)(1)(b), being goods which are handed over from a person in another Member State to a taxable person acting as such in the State, referred to in this subsection as the ‘acquirer’, then the owner shall issue a document to the acquirer and shall indicate thereon—

Pt.4 S.193

- (a) that the acquirer is liable to account for the tax, if any, due in respect of the intra-Community acquisition of those goods, and
- (b) such other particulars as are specified by regulations in respect of an invoice issued in accordance with subsection (1).”,

and

- (c) by the substitution of “subsections (1AA), (1AAA)” for “subsection (1AA)” in subsection (1AB).

Amendment of section 19 (tax due and payable) of Principal Act.

194.—Section 19 of the Principal Act is amended in subsection (3)(aa) (inserted by the Finance Act, 1989)—

- (a) by the insertion in subparagraph (ii)(II) after “remit to the Collector-General any amount of tax payable by him in respect of such taxable periods,” of “and, in the case of an authorised person referred to in subparagraph (iv)(III) that amount shall be the balance of tax remaining to be paid, if any, after deducting from it, the amount of tax paid by him by direct debit in respect of his accounting period,” and
- (b) in subparagraph (iv) by the insertion after clause (II) of the following:

“(III) without prejudice to the generality of the foregoing, require an authorised person to agree with the Collector-General a schedule of amounts of money which he undertakes to pay on dates specified by the Collector-General by monthly direct debit from his account with a financial institution and the total of the amounts specified in that schedule shall be that person’s best estimate of his total tax liability for his accounting period and he shall review on an on-going basis whether the total of the amounts specified in that schedule is likely to be adequate to cover his actual liability for his accounting period and where this is not the case or is not likely to be the case, he shall agree a revised schedule of amounts with the Collector-General and adjust his monthly direct debit amounts accordingly.”.

Amendment of section 21 (interest) of Principal Act.

195.—Section 21 of the Principal Act is amended by the insertion of the following after subsection (1):

“(1A) Where the amount of the balance of tax remaining to be paid in accordance with section 19(3)(aa)(ii)(II) by an authorised person referred to in section 19(3)(aa)(iv)(III) (in this subsection referred to as the ‘balance’) represents more than 20 per cent of the tax which the authorised person became accountable for in respect of his accounting period, then, for the purposes of this subsection, that balance shall be deemed to be payable on a day (in this subsection referred to as the ‘accrual day’) which is 6 months prior to the final day for the furnishing of a return in accordance with section 19(3)(aa)(ii)(II) and simple

[2001.]

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[No. 7.]

interest in accordance with this section shall apply from that Pr.4 S.195
accrual day, however, where an authorised person can demon-
strate to the satisfaction of the Collector-General that the
amount of interest payable on the balance, in accordance with
this subsection, is greater than the sum of the amounts of
interest which would have been payable in accordance with this
section if—

- (a) the authorised person was not so authorised,
- (b) the person had submitted a return in accordance with
section 19(3)(a) for each taxable period comprising
the accounting period, and
- (c) the amounts which were paid by direct debit during a
taxable period are deemed to have been paid on the
due date for submission of that return for that tax-
able period,

then that sum of the amounts of interest is payable.”.

196.—Section 22 of the Principal Act is amended by the substi-
tution in paragraph (a) of subsection (2) of “fourteen” for “twenty-
one”.

Amendment of
section 22
(estimation of tax
due for a taxable
period) of Principal
Act.

197.—Section 27 of the Principal Act is amended—

Amendment of
section 27
(fraudulent returns,
etc.) of Principal
Act.

(a) by the insertion of the following after subsection (4):

“(4A) If a person acquires goods without payment of
value-added tax (as referred to in Council Directive No.
77/388/EEC of 17 May 1977) in another Member State
as a result of the declaration of an incorrect registration
number, that person shall be liable to a penalty of £500
and, in addition, that person shall be liable to pay to the
Revenue Commissioners an amount equal to the amount
of tax which would have been chargeable on an intra-
Community acquisition of those goods if that declaration
had been the declaration of a correct registration
number.”,

and

(b) in subsection (9A)(4) (inserted by the Finance Act, 1994)—

(i) by the substitution of “For the purposes of this
section” for “For the purposes of subparagraph (b)
of paragraph (1)”,

and

(ii) by the insertion of the following after subparagraph
(b):

“(bb) the declaration by a person of a regis-
tration number which is cancelled.”.

Pt.4

Repeal of section 37 (substitution of agent, etc., for person not resident in State) of Principal Act.

Amendment of First Schedule to Principal Act.

198.—Section 37 of the Principal Act is repealed.

199.—The First Schedule to the Principal Act is amended —

- (a) by the insertion in paragraph (ii) after “(including the supply of goods and services incidental thereto” of “, other than the supply of research services”,
- (b) by the insertion in paragraph (iv) after “letting of immovable goods” of “(which does not include the service of allowing a person use a toll road or a toll bridge)”,
- (c) by the insertion in paragraph (ix)(a) after “persons,” of “and”,
- (d) by the deletion in paragraph (ix) of—
 - (i) subparagraph (b) (inserted by the Finance Act, 1982),
 - (ii) subparagraph (c) (inserted by the Finance Act, 1987), and
 - (iii) of the words “the services of loss adjusters and excluding” (inserted by the Finance Act, 1994),
 and
- (e) by the substitution of the following for paragraph (xi):
 - “(xi) insurance and reinsurance transactions, including related services performed by insurance brokers and insurance agents and, for the purposes of this paragraph, ‘related services’ includes the collection of insurance premiums, the sale of insurance, and claims handling and claims settlement services where the supplier of the insurance services delegates the authority to an agent and is bound by the decision of that agent in relation to that claim;”.

Amendment of Second Schedule to Principal Act.

200.—The Second Schedule to the Principal Act is amended by the insertion of the following after paragraph (va):

- “(vaa) subject to and in accordance with regulations, if any, the supply, hiring, repair and maintenance of equipment incorporated or for use in sea-going vessels to which subparagraph (a) of paragraph (v) relates;”.

[2001.]

Finance Act, 2001.

[No. 7.]

PART 5

STAMP DUTIES

201.— In this Part “Principal Act” means the Stamp Duties Consolidation Act, 1999. Interpretation (*Part 5*).

202.—(1) Section 58 of the Principal Act is amended—
(a) in subsection (2) by the substitution of “£200,000” for “£20,000” in each place where it occurs, and
(b) by the substitution of “€254,000” for “£200,000” (being inserted by *paragraph (a)* of this subsection) in each place where it occurs. Amendment of section 58 (security for future advances, how to be charged) of Principal Act.

(2) (a) *Subsection (1)(a)* shall apply and have effect in relation to instruments executed on or after 26 January 2001.

(b) *Subsection (1)(b)* shall apply and have effect in relation to instruments executed on or after 1 January 2002.

203.—(1) Section 60 of the Principal Act is repealed. Repeal of section 60 (short-term life insurance policies) of Principal Act.

(2) *Subsection (1)* shall apply and have effect in relation to instruments executed and policies of life insurance varied on or after 1 January 2001.

204.—(1) Section 79 of the Principal Act is amended—
(a) in subsection (7) by the substitution in paragraph (b) of “subsections (3) and (4)” for “subsection (3)”, and
(b) in subsection (5) by the substitution in paragraph (a) of “subsections (3) and (4)” for “subsection (3)”. Amendment of section 79 (conveyances and transfers of property between certain bodies corporate) of Principal Act.

(2) (a) *Subsection (1)(a)* shall apply and have effect in relation to instruments executed on or after 15 February 2001.

(b) *Subsection (1)(b)* shall apply and have effect in relation to instruments executed on or after 6 March 2001.

205.—The Principal Act is amended by the substitution of the following for section 99: Dublin Docklands Development Authority.

“99.—(1) In this section ‘wholly-owned subsidiary’ has the meaning assigned to it by section 9 of the Taxes Consolidation Act, 1997 (as amended by the *Finance Act, 2001*).

(2) Stamp Duty shall not be chargeable on any instrument under which any land, easement, way-leave, water right or any right over or in respect of the land or water is acquired by the Dublin Docklands Development Authority or any of its wholly-owned subsidiaries.”.

206.—(1) Chapter 1 of Part 7 of the Principal Act is amended by the insertion of the following section after section 83: Transfer of site to child.

“83A.—(1) In this section—

‘site’, in relation to an instrument of conveyance, transfer or lease, includes any interest in land but does not include the site of a building which at the date of that instrument—

- (a) was used or was suitable for use as a dwelling or for another or other purposes, or
- (b) was in the course of being constructed or adapted for use as a dwelling or for another or other purposes.

(2) Stamp duty shall not be chargeable on any conveyance, transfer or lease of a site to which this section applies.

(3) This section applies to any instrument which operates as a conveyance, transfer or lease of a site and which contains a statement, in such form as the Commissioners may specify, certifying—

- (a) that the person becoming entitled to the entire beneficial interest in the site is a child of the person or of each of the persons immediately theretofore entitled to the entire beneficial interest in the site,
- (b) that at the date of the instrument the value of that site does not exceed £200,000 and that the transaction thereby effected does not form part of a larger transaction or of a series of transactions whereby property with a value in excess of £200,000 is conveyed, transferred or leased to that child,
- (c) that the purpose of the conveyance, transfer or lease is to enable that child to construct a dwellinghouse on that site which will be occupied by that child as his or her only or main residence, and
- (d) that the transaction thereby effected is the first and only conveyance, transfer or lease of a site for the benefit of that child from either or both of the parents of that child which contains the certificate specified in this section.

(4) Subsection (2) shall not apply to an instrument unless it has, in accordance with section 20, been stamped with a particular stamp denoting that it is not chargeable with any duty or that it is duly stamped.

(5) The furnishing of an incorrect statement within the meaning of subsection (3) shall be deemed to constitute the delivery of an incorrect statement for the purposes of section 1078 of the Taxes Consolidation Act, 1997.”.

(2) *Subsection (1)* shall apply and have effect in relation to instruments executed on or after 6 December 2000 subject to the substitution in subsection (3)(b) of section 83A (inserted by *subsection (1)*) of “€254,000” for “£200,000”, in each place where it occurs, for instruments executed on or after 1 January 2002.

[2001.]

Finance Act, 2001.

[*No. 7.*]

(2) *Subsection (1)* shall have effect as respects instruments executed on or after 15 February 2001 but only in relation to loan stock issued on or after 15 February 2001. Pr.5 S.207

208.—(1) The Principal Act is amended—

Rent-a-room, etc.

(a) in section 91—

(i) by the substitution in subparagraph (ii) of subsection (2)(b) of the following:

“no person—

(I) other than a person who, while in such occupation, derives rent or payment in the nature of rent in consideration for the provision, on or after 6 April 2001, of furnished residential accommodation in part of the dwellinghouse or apartment concerned, or

(II) other than by virtue of a title prior to that of the purchaser,

will derive any rent or payment in the nature of rent for the use of that dwellinghouse or apartment, or of any part of it, during that period, and”,

for “no person, other than by virtue of a title prior to that of the purchaser, will derive any rent or payment in the nature of rent for the use of that dwellinghouse or apartment, or of any part of it, during that period, and”, and

(ii) by the substitution in subsection (2)(c) of “some person, other than a person referred to in clause (I) or (II) of subsection (2)(b)(ii)” for “some person, other than by virtue of a title prior to that of the purchaser”,

(b) in section 92—

(i) by the substitution in subparagraph (ii) of subsection (1)(b) of the following:

“no person—

(I) other than a person who, while in such occupation, derives rent or payment in the nature of rent in consideration for the provision, on or after 6 April 2001, of furnished residential accommodation in part of the dwellinghouse or apartment concerned, or

(II) other than by virtue of a title prior to that of the purchaser,

will derive any rent or payment in the nature of rent for the use of that dwellinghouse or apartment, or of any part of it, during that period.”,

for “no person, other than by virtue of a title prior to that of the purchaser, will derive any rent or payment in the nature of rent for the use of that dwellinghouse or apartment, or any part of it, during that period.”, and

- (ii) by the substitution in subsection (2) of “some person, other than a person referred to in clause (I) or (II) of subsection (1)(b)(ii)” for “some person, other than by virtue of a title prior to that of the purchaser”,

(c) in section 92A—

- (i) by the substitution in subparagraph (ii) of subsection (2)(b) of the following:

“no person—

- (I) other than a person who, while in such occupation, derives rent or payment in the nature of rent in consideration for the provision, on or after 6 April 2001, of furnished residential accommodation in part of the dwellinghouse or apartment concerned, or

- (II) other than by virtue of a title prior to that of the purchaser,

will derive any rent or payment in the nature of rent for the use of that dwellinghouse or apartment, or of any part of it, during that period.”,

for “no person, other than by virtue of a title prior to that of the purchaser, will derive any rent or payment in the nature of rent for the use of that dwellinghouse or apartment, or any part of it, during that period.”, and

- (ii) by the substitution in subsection (3) of “some person, other than a person referred to in clause (I) or (II) of subsection (2)(b)(ii)” for “some person, other than by virtue of a title prior to that of the purchaser”,

and

(d) in section 92B—

- (i) by the substitution in subparagraph (ii) of subsection (3)(b) of the following:

“no person—

- (I) other than a person who, while in such occupation, derives rent or payment in the nature of rent in consideration for the provision, on or after 6 April 2001, of furnished residential accommodation in part of the dwellinghouse or apartment concerned, or

[2001.]

Finance Act, 2001.

[*No. 7.*]

(II) other than by virtue of a title prior to Pr.5 S.208 that of the purchaser,

will derive any rent or payment in the nature of rent for the use of that dwellinghouse or apartment, or of any part of it, during that period.”,

for “no person, other than by virtue of a title prior to that of the purchaser, will derive any rent or payment in the nature of rent for the use of that dwellinghouse or apartment, or any part of it, during that period.”,

- (ii) by the substitution in subsection (4) of “some person, other than a person referred to in clause (I) or (II) of subsection (3)(b)(ii)” for “some person, other than by virtue of a title prior to that of the purchaser”,
- (iii) by the substitution in paragraph (a) of subsection (8)—
 - (I) of “separation, a decree of divorce, a decree of nullity or a deed of separation” for “separation or a decree of divorce”, and
 - (II) of “that decree or the execution of that deed of separation by both spouses to that marriage” for “that decree”,
- (iv) by the substitution in subparagraph (i) of subsection (8)(a) of “subparagraph (ii)” for “paragraph (b)”,
- (v) by the substitution in subparagraph (ii) of subsection (8)(a) of “the decree or the date of the execution of the deed of separation by both spouses to that marriage” for “the decree” in each place where it occurs, and
- (vi) by the substitution in paragraph (b) of subsection (8) in the definition of “decree of judicial separation” of “the State;” for “the State.” and by the insertion of the following after that definition:

“‘decree of nullity’ means a decree granted by the High Court declaring a marriage to be null and void or any decree to like effect that was granted under the law of a country or jurisdiction other than the State and is recognised in the State.”.

- (2) (a) *Paragraphs (a)(i), (a)(ii), (b)(i), (b)(ii), (c)(i), (c)(ii), (d)(i), and (d)(ii) of subsection (1) shall apply and have effect in relation to instruments executed on or after 6 December 2000.*
- (b) *Paragraph (d)(iii), (v) and (vi) of subsection (1) shall apply and have effect in relation to instruments executed on or after 15 June 2000.*
- (c) *Paragraph (d)(iv) of subsection (1) shall apply and have effect in relation to instruments executed on or after 15 February 2001.*

Pt.5
Amendment of
Chapter 2 of Part 7
of Principal Act.

209.—(1) Chapter 2 of Part 7 of the Principal Act is amended by the insertion of the following section after section 92B:

“Residential
property investor
relief.

92C.—(1) The amount of stamp duty chargeable under or by reference to paragraphs (1) to (6) of the heading ‘CONVEYANCE or TRANSFER on sale of any property other than stocks or marketable securities or a policy of insurance or a policy of life insurance’ or clauses (i) to (vi) of paragraph (3)(a) of the heading ‘LEASE’, as the case may be, in Schedule 1 on any instrument to which this section applies shall be reduced where—

- (a) paragraph (1) or (2) or clause (i) or (ii) applies, to an amount equal to three-ninths,
- (b) paragraph (3) or clause (iii) applies, to an amount equal to four-ninths,
- (c) paragraph (4) or clause (iv) applies, to an amount equal to five-ninths,
- (d) paragraph (5) or clause (v) applies, to an amount equal to six-ninths,
- (e) paragraph (6) or clause (vi) applies, to an amount equal to seven and one half-ninths,

of the amount which would otherwise have been chargeable but where the amount so obtained is a fraction of £1 that amount shall be rounded up to the nearest £.

(2) This section shall apply to any instrument which contains a statement, in such form as the Commissioners may specify, certifying that the instrument—

- (a) is one to which section 29 or 53 applies, or
- (b) gives effect to the purchase of a dwellinghouse or apartment on the erection of that dwellinghouse or apartment and that section 29 or 53 do not apply.”.

(2) *Subsection (1)* shall have effect as respects instruments executed on or after 27 February 2001 subject to the substitution in subsection (1) of section 92C (inserted by *subsection (1)*) of “down to nearest €” for “up to the nearest £”, for instruments executed on or after 1 January 2002.

Approved voluntary
body.

210.—(1) The Principal Act is amended by the insertion of the following section after section 93:

“93A.—(1) Stamp duty shall not be chargeable on any conveyance, transfer or lease of land to a voluntary body, approved by the Minister for the Environment and Local Government under section 6 of the Housing (Miscellaneous Provisions) Act, 1992, for the purposes of the Housing Acts, 1966 to 1998.”.

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(2) *Subsection (1)* shall apply and have effect in relation to instruments executed on or after 15 February 2001. Pr.5 S.210

211.—(1) The Principal Act is amended by the insertion of the following section after section 106: National Building Agency Limited.

“106A.—(1) Stamp duty shall not be chargeable on any conveyance, transfer or lease of land to the National Building Agency Limited for the purposes of the Housing Acts, 1966 to 1998.”

(2) *Subsection (1)* shall apply and have effect in relation to instruments executed on or after 26 January 2001.

212.—(1) The Principal Act is amended by the insertion of the following section after section 110: Certain policies of insurance.

“110A.—(1) This section shall apply to a policy of insurance, being insurance of a class specified in Part A of Annex I to the European Communities (Life Assurance) Framework Regulations, 1994 (S.I. No. 360 of 1994), which—

(a) provides for periodic payments to an individual in the event of loss or diminution of income in consequence of ill health, or

(b) provides for the payment of an amount or amounts to an individual in consequence of ill health, disability, accident or hospitalisation.

(2) Stamp duty shall not be chargeable under or by reference to the Heading ‘POLICY OF INSURANCE other than Life Insurance where the risk to which the policy relates is located in the State.’ in Schedule 1 on any policy of insurance to which this section applies.”

(2) *Subsection (1)* shall apply and have effect in relation to instruments executed on or after 1 January 2001.

213.—(1) Schedule 1 to the Principal Act is amended—

Amendment of Schedule 1 to Principal Act.

(a) by the substitution under the Heading “MORTGAGE, BOND, DEBENTURE, COVENANT (except a marketable security) which is a security for the payment or repayment of money which is a charge or incumbrance on property situated in the State other than shares in stocks or funds of the Government or the Oireachtas.” of “£200,000” for “£20,000” in each place where it occurs,

(b) by the substitution of “€254,000” for “£200,000” (inserted by *paragraph (a)*) in each place where it occurs, and

(c) by the deletion of the Heading “POLICY OF LIFE INSURANCE made for a period exceeding 2 years where the risk to which the policy relates is located in the State.” and the provision under that Heading.

(2) (a) *Subsection (1)(a)* shall apply and have effect in relation to instruments executed on or after 26 January 2001.

(b) *Subsection (1)(b)* shall apply and have effect in relation to instruments executed on or after 1 January 2002.

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(c) *Subsection (1)(c)* shall apply and have effect in relation to instruments executed and policies of life insurance varied on or after 1 January 2001.

Amendment of section 2 (commencement (Part 1)) of Finance (No. 2) Act, 2000.

214.—Section 2 of the Finance (No. 2) Act, 2000, is amended in subsection (2) by the substitution of “31 July 2001” for “31 January 2001”.

PART 6

CAPITAL ACQUISITIONS TAX

Interpretation (*Part 6*).

215.—In this Part “Principal Act” means the Capital Acquisitions Tax Act, 1976.

Amendment of section 18 (taxable value of a taxable gift or taxable inheritance) of Principal Act.

216.—(1) Section 18 of the Principal Act is amended in subsection (5)(f) by the substitution of “section 6(1)(d) or 12(1)(c)” for “section 6(1)(c) or section 12(1)(b)”.

(2) Subject to subsection (3), this section shall have effect in relation to gifts or inheritances taken on or after 1 December 1999.

(3) Notwithstanding subsection (2), this section shall not have effect in relation to gifts or inheritances taken under a disposition where the date of the disposition is before 1 December 1999.

Amendment of section 19 (value of agricultural property) of Principal Act.

217.—(1) Section 19 of the Principal Act is amended by the substitution in subparagraph (ii) of subsection (5)(a) of “or within 4 years of the compulsory acquisition” for “or compulsory acquisition”.

(2) *Subsection (1)* shall have effect in relation to compulsory acquisitions made on or after 6 December 2000.

Amendment of section 55 (exemption of certain objects) of Principal Act.

218.—(1) Section 55 of the Principal Act is amended by the insertion of the following subsection after subsection (4):

“(5) Any work of art normally kept outside the State which is comprised in an inheritance which is charged to tax by virtue of section 12(1)(c) shall be exempt from tax and shall not be taken into account in computing tax, to the extent that the Commissioners are satisfied that it was brought into the State solely for public exhibition, cleaning or restoration.”.

(2) This section shall have effect in relation to inheritances taken on or after 26 January 2001.

Amendment of section 57 (exemption of certain securities) of Principal Act.

219.—(1) Section 57 of the Principal Act is amended by the substitution in subsection (2) of the following for paragraph (a):

“(a) the securities or units were comprised in the disposition continuously for a period of six years immediately before the date of the gift or the date of the inheritance, and any period immediately before the date of the disposition during which the securities or units were continuously in the beneficial ownership of the disponent shall be deemed, for the purpose of this paragraph, to be a period or part of a period immediately before the date of the gift or the date of the inheritance during which they were continuously comprised in the disposition;”.

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(2) This section shall have effect in relation to securities or units comprised in a gift or an inheritance where the date of the gift or the date of the inheritance is on or after 15 February 2001 and the securities or units—

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- (a) come into the beneficial ownership of the disponent on or after 15 February 2001, or
- (b) become subject to the disposition on or after that date without having been previously in the beneficial ownership of the disponent.

220.—(1) Section 59C of the Principal Act is amended by the insertion of the following after subsection (1):

Amendment of section 59C (exemption relating to certain dwellings) of Principal Act.

“(1A) In this section any reference to a donee or successor shall be construed as including a reference to the transferee referred to in section 23(1).”.

(2) This section shall have effect in relation to a gift or inheritance taken on or after 1 December 1999.

221.—The Principal Act is amended by the insertion of the following section after section 59C:

Gifts and inheritances taken by foster children.

“59D.—(1) In this section—

‘the appropriate period’ means periods which together comprised at least 5 years falling within the 18 years immediately following the birth of the donee or successor.

(2) Where, on a claim being made to them in that behalf in relation to a gift or inheritance taken on or after 6 December 2000, the Commissioners are, subject to subsection (3), satisfied—

- (a) where the inheritance is taken by a successor on the date of death of the disponent, that the successor had, prior to the date of the inheritance, been placed in the foster care of the disponent under the Child Care (Placement of Children in Foster Care) Regulations, 1995 (S.I. No. 260 of 1995), or the Child Care (Placement of Children with Relatives) Regulations, 1995 (S.I. No. 261 of 1995), or
- (b) that throughout the appropriate period the donee or successor—
 - (i) has resided with the disponent, and
 - (ii) was under the care of and maintained by the disponent at the disponent’s own expense,

then, subject to subsection (3), for the purpose of computing the tax payable on that gift or inheritance, that donee or successor shall be deemed to bear to that disponent the relationship of a child.

(3) Relief under subsection (2) shall not apply where the claim for such relief is based on the uncorroborated testimony of one witness.”.

222.—The Principal Act is amended by the insertion of the following section after section 59D (inserted by the *Finance Act, 2001*):

Gifts and inheritances taken by adopted children from natural parent.

“59E.—Where, on a claim being made to them in that behalf in relation to a gift or inheritance taken on or after the date

of the passing of the *Finance Act, 2001*, the Commissioners are satisfied that—

- (a) the donee or successor had at the date of the gift or the date of the inheritance been adopted in the manner referred to in paragraph (b) of the definition of ‘child’ contained in section 2(1), and
- (b) the donor is the natural mother or the natural father of the donee or successor,

then, notwithstanding section 2(5)(a), for the purpose of computing the tax payable on that gift or inheritance, that donee or successor shall be deemed to bear to that donor the relationship of a child.”.

Amendment of section 61 (payment of money standing in names of two or more persons) of Principal Act.

223.—Section 61 of the Principal Act is amended in subsection (1)—

- (a) as respects persons dying on or after 26 January 2001 and prior to 1 January 2002, by the substitution of “£25,000” for “£5,000”, and
- (b) as respects persons dying on or after 1 January 2002, by the substitution of “€31,750” for “£5,000”.

Amendment of section 85 (exemption of specified collective investment undertakings) of Finance Act, 1989.

224.—(1) Section 85 of the Finance Act, 1989, is amended by the substitution of the following for subsections (1) and (2):

“(1) In this section—

‘investment undertaking’ has the meaning assigned to it by section 739B of the Taxes Consolidation Act, 1997;

‘specified collective investment undertaking’ has the meaning assigned to it by section 734 of the Taxes Consolidation Act, 1997;

‘unit’, in relation to an investment undertaking, has the meaning assigned to it by section 739B of the Taxes Consolidation Act, 1997;

‘unit’, in relation to a specified collective investment undertaking, has the meaning assigned to it by section 734 of the Taxes Consolidation Act, 1997.

(2) Where any unit of an investment undertaking or of a specified collective investment undertaking is comprised in a gift or an inheritance, then such unit—

- (a) shall be exempt from tax, and
- (b) shall not be taken into account in computing tax on any gift or inheritance taken by the donee or successor,

if, but only if, it is shown to the satisfaction of the Commissioners that—

- (i) the unit is comprised in the gift or inheritance—
 - (I) at the date of the gift or at the date of the inheritance, and
 - (II) at the valuation date,

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(ii) at the date of the disposition, the disponent is neither domiciled nor ordinarily resident in the State, and

(iii) at the date of the gift or at the date of the inheritance, the donee or successor is neither domiciled nor ordinarily resident in the State.”.

(2) In relation to any unit of an investment undertaking comprised in a gift or an inheritance, section 85(2)(ii) (inserted by *subsection (1)*) of the Finance Act, 1989, shall, notwithstanding that the disponent was domiciled or ordinarily resident in the State at the date of the disposition, be treated as satisfied where—

(a) the proper law of the disposition was not the law of the State at the date of the disposition, and

(b) the unit came into the beneficial ownership of the disponent or became subject to the disposition prior to 15 February 2001.

(3) This section shall have effect in relation to units of an investment undertaking comprised in a gift or an inheritance where the date of the gift or the date of the inheritance is on or after 1 April 2000.

(4) This section shall have effect in relation to units of a specified collective investment undertaking comprised in a gift or an inheritance where the date of the gift or the date of the inheritance is on or after 15 February 2001 and the units—

(a) come into the beneficial ownership of the disponent on or after 15 February 2001, or

(b) become subject to the disposition on or after that date without having been previously in the beneficial ownership of the disponent.

225.—(1) Chapter I (which relates to the taxation of assets passing on inheritance) of Part VI of the Finance Act, 1993, is repealed.

Abolition of probate tax.

(2) Sections 137, 138, 139 and 140 of the Finance Act, 1994, section 143 of the Finance Act, 1997, section 127 of the Finance Act, 1998, and sections 147 and 150 of the Finance Act, 2000, are repealed.

(3) *Subsections (1) and (2)* shall have effect in relation to probate tax which would but for this section first become due and payable on or after 6 December 2000.

226.—(1) Section 133 of the Finance Act, 1993, is amended by the substitution in subsection (2)(b) of the following for subparagraph (ii):

Amendment of section 133 (exemption of certain policies of assurance) of Finance Act, 1993.

“(ii) at the date of the disposition, the disponent is neither domiciled nor ordinarily resident in the State;”.

(2) This section shall have effect in relation to a policy comprised in a gift or an inheritance where the date of the gift or the date of the inheritance is on or after 15 February 2001 and the policy—

(a) comes into the beneficial ownership of the disponent on or after 15 February 2001, or

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(b) becomes subject to the disposition on or after that date without having been previously in the beneficial ownership of the disponer.

Amendment of section 124 (interpretation (Chapter I)) of Finance Act, 1994.

227.—(1) Section 124 of the Finance Act, 1994, is amended by the insertion of the following after subsection (3):

“(4) In this Chapter any reference to a donee or successor shall be construed as including a reference to the transferee referred to in section 23 (1) of the Principal Act.”.

(2) This section shall have effect in relation to gifts or inheritances taken on or after 11 April 1994.

Amendment of section 127 (relevant business property) of Finance Act, 1994.

228.—(1) Section 127 of the Finance Act, 1994, is amended—

(a) by the substitution of “whether incorporated in the State or otherwise” for “incorporated in the State” in each place where it occurs,

(b) by the deletion of “in so far as situated in the State,” in paragraph (e) of subsection (1), and

(c) by the deletion of subsection (3).

(2) This section shall have effect in relation to gifts or inheritances taken on or after 15 February 2001.

Amendment of provisions relating to the taxation of discretionary trusts.

229.—(1) Section 143 of the Finance Act, 1994, is amended—

(a) in subsection (1)—

(i) by the insertion of the following definition after the definition of “relevant inheritance”:

“‘settled relevant inheritance’ means a relevant inheritance taken on the death of a life tenant;”,

(ii) by the substitution of the following definition for the definition of “the relevant period”:

“‘relevant period’ means—

(a) in relation to an earlier relevant inheritance, the period of 5 years commencing on the date of death of the disponer,

(b) in relation to a settled relevant inheritance, the period of 5 years commencing on the date of death of the life tenant concerned, and

(c) in relation to a later relevant inheritance, the period of 5 years commencing on the latest date on which a later relevant inheritance was deemed to be taken from the disponer;”,

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(b) in subsection (2) by the substitution of the following for the proviso to subsection (2): Pr.6 S.229

“Provided that where in the case of each and every earlier relevant inheritance, each and every settled relevant inheritance or each and every later relevant inheritance, as the case may be, taken from one and the same disponer, one or more objects of the appropriate trust became beneficially entitled in possession before the expiration of the relevant period to an absolute interest in the entire of the property of which that inheritance consisted on and at all times after the date of that inheritance (other than property which ceased to be subject to the terms of the appropriate trust by virtue of a sale or exchange of an absolute interest in that property for full consideration in money or money’s worth), then, in relation to all such earlier relevant inheritances, all such settled relevant inheritances or all such later relevant inheritances, as the case may be, this section shall cease to apply and tax shall be computed accordingly in accordance with the provisions of the said section 109 as if this section had not been enacted.”.

(2) This section shall have effect as respects relevant inheritances taken on or after 26 January 2001.

PART 7

ANTI-SPECULATIVE PROPERTY TAX

230.—Anti-speculative property tax shall not be charged, levied or paid under section 6 of the Finance (No. 2) Act, 2000, by reference to any valuation date (within the meaning of section 5(1) of that Act) occurring on or after 6 April 2001. Abolition of anti-speculative property tax.

PART 8

MISCELLANEOUS

231.—In this Part “Principal Act” means the Taxes Consolidation Act, 1997. Interpretation (*Part 8*).

232.—(1) Chapter 3 of Part 38 of the Principal Act is amended— Amendment of Chapter 3 (other obligations and returns) of Part 38 of Principal Act.

(a) by the substitution for section 887 of the following:

“Use of electronic data processing.

887.—(1) In this section—

‘the Acts’ means—

- (a) the Tax Acts,
- (b) the Capital Gains Tax Acts,
- (c) the Value-Added Tax Act, 1972, and the enactments amending or extending that Act,

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(d) the Capital Acquisitions Tax Act, 1976, and the enactments amending or extending that Act, and

(e) Part VI of the Finance Act, 1983,

and any instrument made under any of these enactments;

‘record’ means any document which a person is obliged by the Acts to keep, to issue or to produce for inspection, and any other written or printed material.

(2) For the purposes of the Acts, but subject to section 17 of the Value-Added Tax Act, 1972, a record may be stored, maintained, transmitted, reproduced or communicated, as the case may be, by any electronic, photographic or other process that—

(a) provides a reliable assurance as to the integrity of the record from the time when it was first generated in its final form by such electronic, photographic or other process,

(b) permits the record to be displayed in intelligible form and produced in an intelligible printed format,

(c) permits the record to be readily accessible for subsequent reference in accordance with paragraph (b), and

(d) conforms to the information technology and procedural requirements drawn up and published by the Revenue Commissioners in accordance with subsection (3).

(3) The Revenue Commissioners shall from time to time draw up and publish in *Iris Oifigiúil* the information technology and procedural requirements to which any electronic, photographic or other process used by a person for the storage, maintenance, transmission, reproduction and communication of any record shall conform.

(4) The authority conferred on the Revenue Commissioners by this section to draw up and publish requirements

shall be construed as including the authority exercisable in a like manner to revoke and replace or to amend any such requirements. Pr.8 S.232

(5) (a) Every person who preserves records by any electronic, photographic or other process, when required to do so by a notice in writing from the Revenue Commissioners, shall, within such period as is specified in the notice, not being less than 21 days from the date of service of the notice, supply to the Revenue Commissioners full particulars relating to the process used by that person, including full particulars relating to software (within the meaning of section 912).

(b) A person who fails or refuses to comply with a notice served on the person under paragraph (a) shall be liable to a penalty of £1,000.

(6) (a) Subject to paragraph (b), where records are kept by a person (being a person who is obliged by the Acts to keep such records) by any electronic, photographic or other process which does not conform with the requirements referred to in paragraphs (a) to (d) of subsection (2), then the person shall be deemed to have failed to comply with that obligation and that person shall be liable to the same penalties as the person would be liable to if the person had failed to comply with any obligation under the Acts in relation to the keeping of records.

(b) Paragraph (a) shall not apply where the person referred to in that paragraph complies with any obligation under the Acts in relation to the keeping of records other than in accordance with the provisions of subsection (2).

(7) Where records are preserved by any electronic, photographic or other process, information contained in a document produced by any such process

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shall, subject to the rules of court, be admissible in evidence in any proceedings, whether civil or criminal, to the same extent as the records themselves.

(8) The Revenue Commissioners may nominate any of their officers to discharge any function authorised by this section to be discharged by the Revenue Commissioners.”,

(b) by the deletion of section 893,

(c) by the deletion in section 894(2) of paragraph (d),

(d) by the substitution for section 896 of the following:

“Returns in relation to certain offshore products.

896.—(1) In this section—

‘appropriate inspector’, in relation to an intermediary, means—

(a) the inspector who has last given notice in writing to the intermediary, that he or she is the inspector to whom the intermediary is required to deliver the return specified in subsection (2),

(b) where there is no such inspector as is referred to in paragraph (a), the inspector to whom it is customary for the intermediary to deliver a return or statement of income or profits, or

(c) where there is no such inspector as is referred to in paragraphs (a) or (b), the inspector of returns specified in section 950;

‘chargeable period’ has the same meaning as in section 321(2);

‘foreign life policy’ means a policy of assurance on the life of a person commenced—

(a) by a branch or agency (carrying on business in a State other than the State) of an assurance company, or

(b) by an assurance company (carrying on business in a State other than the State) other than by its branch or

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agency carrying on busi- Pr.8 S.232
ness in the State;

‘intermediary’ means any person carrying on in the State a trade or business in the course of operations of which that person provides relevant facilities;

‘material interest’ shall be construed in accordance with section 743(2);

‘offshore fund’ has the meaning assigned to it by section 743(1);

‘offshore product’ means—

- (a) a material interest in an offshore fund, or
- (b) a foreign life policy;

‘relevant facilities’ means—

- (a) the marketing in the State of offshore products,
- (b) the acting in the State as an intermediary in relation to the acquisition or disposal, in whole or in part, of offshore products by or on behalf of persons who are resident or ordinarily resident in the State, or
- (c) the provision in the State of facilities for the making of payments from an offshore product to persons who are entitled to the offshore product, whether on the disposal, in whole or in part of the offshore product, or otherwise;

‘specified return date for the chargeable period’, in relation to a chargeable period, has the meaning assigned to it by section 895(1);

‘tax reference number’ in relation to a person has the meaning assigned to it by section 885 in relation to a specified person within the meaning of that section.

(2) Every intermediary shall as respects a chargeable period prepare and deliver to the appropriate inspector on or before the specified return date for the chargeable period a return specifying in respect of every

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person in respect of whom that intermediary has acted in the chargeable period as an intermediary—

- (a) the full name and permanent address of the person,
- (b) the person's tax reference number,
- (c) a description of the relevant facilities provided, including a description of the offshore product concerned and the name and address of the person who provided the offshore product, and
- (d) details of all payments made (directly or indirectly) by or to the person in respect of the offshore product.

(3) Where an intermediary fails—

- (a) for any chargeable period to make a return required to be made by the intermediary in accordance with subsection (2),
- (b) to include in such a return for a chargeable period details of any person to whom the intermediary provided relevant facilities in the chargeable period, or
- (c) to take reasonable care to confirm the details of the kind referred to in subsection (2) furnished to the intermediary by a person to whom the intermediary has provided relevant facilities in the chargeable period,

the intermediary shall in respect of each such failure be liable to a penalty of £1,500.

(4) Where a person fails—

- (a) to furnish details of the kind referred to in subsection (2) to an intermediary who has provided the person with relevant facilities, or

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- (b) knowingly or wilfully furnishes that intermediary with incorrect details of that kind, Pr.8 S.232

the person shall be liable to a penalty of £1,500.

(5) Where in any chargeable period a person acquires an offshore product to which section 730I or 747C (inserted by the *Finance Act, 2001*) does not relate, the person shall, notwithstanding anything to the contrary in section 950 or 1084, be deemed for that chargeable period to be a chargeable person for the purposes of sections 951 and 1084, and the return of income to be delivered by the person for that chargeable period shall include the following particulars—

- (a) the name and address of the offshore fund or, as the case may be, the person who commenced the life policy,
- (b) a description, including the cost to the person, of the material interest acquired or, as the case may be, a description of the terms of the life policy including premiums payable, and
- (c) the name and address of the person through whom the offshore product was acquired.”,

and

- (e) by the substitution in section 903(1) in the definition of “records” for “stored by any means approved under section 887” of “stored in accordance with section 887”.
- (2) (a) In this subsection “chargeable period” has the same meaning as in section 321(2).
- (b) Subsection (1) shall apply as respects any chargeable period commencing on or after 15 February 2001.
- (3) (a) The Principal Act is amended—
- (i) in section 887 (substituted by *subsection (1)(a)*) by the substitution in subsection (5)(b) for “£1,000” of “€1,265”, and
- (ii) in section 896 (inserted by *subsection (1)(d)*) by the substitution in subsections (3) and (4) for “£1,500” of “€1,900”.

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(b) This subsection shall apply as on and from 1 January 2002.

Amendment of section 1078 (revenue offences) of Principal Act.

233.—(1) Section 1078(3) of the Principal Act is amended by the substitution in paragraph (a) of “£1,500” for “£1,000”.

(2) (a) Section 1078(3) of the Principal Act is amended by the substitution in paragraph (a) of “€1,900” for “£1,500”.

(b) This subsection shall apply as on and from 1 January 2002.

Amendment of section 1094 (tax clearance in relation to certain licences) of Principal Act.

234.—Section 1094 of the Principal Act is amended in subsection (1), in the definition of “licence” by the addition of the following paragraph after paragraph (k):

“(l) subsection (1A) (inserted by *section 172* of the *Finance Act, 2001*) of section 2 of the Intoxicating Liquor (National Concert Hall) Act, 1983;”.

Amendment of Chapter 6 (electronic transmission of returns of income, profits, etc., and of other Revenue returns) of Part 38 of Principal Act.

235.—Chapter 6 of Part 38 of the Principal Act is amended with effect from 15 February 2001—

(a) in section 917D(1)—

(i) by the substitution—

(I) for the definition of “digital signature” of the following:

“‘digital signature’, in relation to a person, means an advanced electronic signature (within the meaning of the Electronic Commerce Act, 2000) provided to the person by the Revenue Commissioners solely for the purpose of making an electronic transmission of information which is required to be included in a return to which this Chapter applies and for no other purpose and a qualified certificate (within the meaning of that Act) provided to the person by the Revenue Commissioners or a person appointed in that behalf by the Revenue Commissioners;”.

(II) for the definition of “return” of the following:

“‘return’ means any return, claim, application, notification, election, declaration, nomination, statement, list, registration, particulars or other information which a person is or may be required by the Acts to give to the Revenue Commissioners or any Revenue officer;”.

and

(ii) by the deletion of subsection (2);

(b) in section 917F—

(i) by the substitution in paragraph (c) of subsection (1) for “the approved person’s digital signature” of “the approved person’s or the authorised person’s digital signature”, and

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(ii) by the substitution for subsection (5) of the following: Pr.8 S.235

“(5) Where an approved transmission is made by—

- (a) an approved person on behalf of another person, or
- (b) an authorised person on behalf of another person (not being the person who authorised that person),

a hard copy of the information shall be made and authenticated in accordance with section 917K.”;

(c) in section 917G—

- (i) by the substitution in subsection (1) for “complies with the provisions of this section and, in particular, with the conditions specified in subsection (3)” of “complies with the condition specified in subsection (3)(a) in relation to authorised persons and the condition specified in subsection (3)(b) in relation to the making of transmissions and the use of digital signatures”,
- (ii) by the substitution in subsection (2) for “in writing or by such other means as may be approved by the Revenue Commissioners” of “by such means as the Revenue Commissioners may determine”, and

(iii) by the substitution for subsection (3) of the following:

“(3) The conditions referred to in subsection (1) are that—

- (a) the person notifies the Revenue Commissioners in a manner to be determined by the Revenue Commissioners of the persons (each of whom is referred to in this section as an ‘authorised person’), in addition to the person, who are authorised to make the transmission, and
- (b) the person and each person who is an authorised person in relation to that person in making the transmission complies with the requirements referred to in subsections (2) and (3) of section 917H.”;

(d) by the substitution in section 917H for subsections (2) and (3) of the following:

“(2) The Revenue Commissioners shall publish and make known to each approved person and each authorised person any requirement for the time being determined by them as being applicable to—

- (a) the manner in which information which is required to be included in a return to which this Chapter applies is to be transmitted electronically, and

(b) the use of a person's digital signature.

(3) The requirements referred to in subsection (2) include—

(a) requirements as to the software or type of software to be used to make a transmission,

(b) the terms and conditions under which a person may make a transmission, and

(c) the terms and conditions under which a person may use that person's digital signature.”;

(e) by the deletion of section 917I;

(f) in section 917K(1)(a) by the substitution for “to be transmitted” of “transmitted or to be transmitted”, and

(g) in section 917M(3) by the substitution for “for the purposes of any proceedings in relation to which the certificate is given” of “for the purposes of the Acts”.

Certificates in court proceedings.

236.—As on and from the passing of this Act, the Principal Act is amended—

(a) in Chapter 1 of Part 42—

(i) by the substitution in section 966 of the following for subsection (5):

“(5) In proceedings pursuant to this section a certificate signed by an officer of the Revenue Commissioners certifying the following facts:

(a) that before the institution of the proceedings a stated sum for income tax became due and payable by the defendant—

(i) under an assessment which had become final and conclusive, or

(ii) under section 942(6),

and

(b) (i) that before the institution of the proceedings payment of that stated sum was duly demanded from the defendant, and

(ii) that that stated sum or a stated part of that sum remains due and payable by the defendant,

shall be evidence until the contrary is proved of those facts.”,

and

(ii) by the substitution of the following for section 967:

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“Evidence of electronic transmission of particulars of income tax to be collected in proceedings for recovery of tax.

967.—In any proceedings in the District Court, the Circuit Court or the High Court for or in relation to the recovery of any income tax, a certificate signed by an officer of the Revenue Commissioners certifying that before the institution of proceedings a stated sum of income tax transmitted in accordance with section 928(2) became due and payable by the defendant—

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(a) (i) under an assessment which had become final and conclusive, or

(ii) under section 942(6),

and

(b) demand for the payment of the tax has been duly made,

shall be prima facie evidence until the contrary is proved of those facts, and a certificate so certifying and purporting to be signed as specified in this section may be tendered in evidence without proof and shall be deemed until the contrary is proved to have been signed by an officer of the Revenue Commissioners.”,

and

(b) by the substitution in section 1080 of the following for subsection (4):

“(4) In proceedings instituted by virtue of subsection (3)—

(a) a certificate signed by an officer of the Revenue Commissioners certifying that a stated amount of interest is due and payable by the person against whom the proceedings were instituted shall be evidence until the contrary is proved that that amount is so due and payable, and

(b) a certificate so certifying and purporting to be signed as specified in this section may be tendered in evidence without proof and shall be deemed until the contrary is proved to have been signed by an officer of the Revenue Commissioners.”.

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237.—Chapter 4 of Part 42 of the Principal Act is amended—

Amendment of
Chapter 4
(collection and
recovery of income
tax on certain
emoluments (PAYE
system)) of Part 42
of Principal Act.

(a) in section 990—

(i) by the insertion of the following after subsection (1):

“(1A) (a) Where—

- (i) a notice is served on an employer under subsection (1) in relation to a year of assessment (being the year of assessment 2000-2001 or a subsequent year of assessment), and
- (ii) prior to the service of the notice, the employer had failed to submit to the Collector-General, in relation to that year of assessment, the return required by Regulation 35 of the Income Tax (Employments) Regulations, 1960 (S.I. No. 28 of 1960),

then, if, within 14 days after the service of the notice, the employer—

- (I) sends that return to the Collector-General, and
- (II) pays any balance of tax remaining unpaid for the year of assessment in accordance with the return, together with any interest and costs which may have been incurred in connection with the default,

the notice shall, subject to paragraph (c), stand discharged and any excess of tax which may have been paid shall be repaid.

- (b) If, on expiration of the period referred to in paragraph (a), the employer has not complied with subparagraphs (I) and (II) of paragraph (a), the balance of tax remaining unpaid as specified in the notice shall become due and recoverable in the like manner as if the balance of tax had been charged on the employer under Schedule E.
- (c) Where action for the recovery of tax specified in a notice under subsection (1) has been taken, being action by means of the institution of proceedings in any court or the issue of a certificate under section 962, so much of paragraph (a) as relates to the discharge of the notice shall not, unless the Collector-General otherwise directs, apply in relation to that notice until that action has been completed.”

and

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- (ii) by the insertion in subsection (2) of the following Pr.8 S.237 after “subsection (1)”:

“and prior to such service the employer had sent to the Collector-General the return required by Regulation 35 of the Income Tax (Employment) Regulations, 1960 (S.I. No. 28 of 1960)”;

- (b) in section 991, by the insertion of the following after subsection (1):

“(1A) Notwithstanding anything in subsection (1) but subject to subsection (1B), where an amount of tax (in this subsection referred to as ‘the relevant amount’) in respect of a year of assessment (being the year of assessment 2000-2001 or a subsequent year of assessment) is paid later than 14 days after the end of that year of assessment, interest in accordance with subsection (1) shall be payable and calculated—

- (a) where the relevant amount does not exceed 10 per cent of the total amount of tax which the employer was liable under this Chapter and any regulations made under this Chapter to pay to the Revenue Commissioners for that year of assessment, as if the due date for payment of the relevant amount was the 14th day immediately following the end of the year of assessment, and
- (b) where the relevant amount exceeds 10 per cent of the amount so payable, as if the due date for payment of the relevant amount was—
- (i) as respects the year of assessment 2000-2001, 31 October, 2000,
- (ii) as respects the year of assessment 2001, 30 September, 2001, and
- (iii) as respects the year of assessment 2002 and subsequent years of assessment, 31 July in the year.

(1B) Where, within 1 month of interest being demanded by the Collector-General in accordance with subsection (1A), the employer declares in writing to the Collector-General the amounts of tax which he or she was liable to remit, but had not remitted, for each of the income tax months comprised in the year of assessment, interest shall be calculated and payable in respect of those amounts in accordance with subsection (1), without regard to subsection (1A).”;

and

- (c) by the insertion of the following after section 991:

“Payment of tax by direct debit. 991A.—Where, for a year of assessment (being the year of assessment 2000-2001 or a subsequent year of assessment)—

- (a) an employer has been authorised

by the Collector-General in accordance with Regulation 31A (inserted by the Income Tax (Employments) Regulations, 1989 (S.I. No. 58 of 1989)) of the Income Tax (Employments) Regulations, 1960 (S.I. No. 28 of 1960), to remit income tax for a period longer than an income tax month, and

(b) such authorisation is subject to the condition that the employer is required each month to pay an amount to the Collector-General by direct debit from the employer's bank account,

then, the provisions of section 991 shall apply to any tax in respect of that year of assessment which is paid by the employer after the end of that year.”.

Amendment of section 1002 (deduction from payments due to defaulters of amounts due in relation to tax) of Principal Act.

238.—Section 1002 of the Principal Act is amended, in paragraph (a) of subsection (3), by the substitution for “one month” of “14 days”, and the said paragraph (a), as so amended, is set out in the Table to this section.

TABLE

(a) a period of 14 days has expired from the date on which such default commenced, and

Amendment of section 1006A (offset between taxes) of Principal Act.

239.—Section 1006A of the Principal Act is amended—

(a) in subsection (1) in the definition of “liability” by the insertion after “as appropriate” of “, and includes any interest due under the Acts in relation to such tax, duty, levy or other charge”, and

(b) by the substitution of the following for subsection (2):

“(2) Notwithstanding any other provision of the Acts, where the Revenue Commissioners are satisfied that a person has not complied with the obligations imposed on the person by the Acts, in relation to either or both—

(a) the payment of a liability required to be paid, and

(b) the delivery of returns required to be made,

they may, in a case where a repayment is due to the person in respect of a claim or overpayment—

(i) where paragraph (a) applies, or where paragraphs (a) and (b) apply, instead of making the repayment set the amount of the claim or overpayment against any liability due under the Acts, and

- (ii) where paragraph (b) only applies, withhold making the repayment until such time as the returns required to be delivered have been delivered. Pr.8 S.239

(2A) Where the Revenue Commissioners have set or withheld a repayment by virtue of subsection (2), they shall give notice in writing to that effect to the person concerned and, where subsection (2)(ii) applies, interest shall not be payable under any provision of the Acts from the date of such notice in respect of any repayment so withheld.”.

240.—(1) (a) Subject to *subsection (2)*, in each provision specified in *column (1)* of *Schedule 5* for the words or amount set out in *column (2)* of that Schedule at that entry there shall be substituted the words or amount set out at the corresponding entry in *column (3)* of that Schedule. Amendment of enactments consequent on changeover to Euro.

(b) Where words are or an amount is mentioned more than once in a provision specified in *column (1)* of *Schedule 5*, then the substitution provided for by *paragraph (a)* shall apply as respects those words or that amount to each mention of those words or that amount in that provision.

(2) *Subsection (1)* shall apply—

- (a) to the extent that the amendments relate to income tax and related matters, other than the amendments relating to such matters referred to in *subparagraphs (ii), (iii), (iv), (v) and (vi)* of *paragraph (1)*, as respects the year of assessment 2002 and subsequent years of assessment,
- (b) to the extent that the amendments relate to capital gains tax and related matters, other than the amendments relating to such matters referred to in *paragraph (1)(vii)*, as respects the year of assessment 2002 and subsequent years of assessment,
- (c) to the extent that the amendments relate to corporation tax and related matters, other than the amendments relating to such matters referred to in *subparagraphs (i), (iii) and (iv)* of *paragraph (1)*, for accounting periods ending on or after 1 January 2002,
- (d) to the extent that the amendments relate to customs duties and related matters, as on and from 1 January 2002,
- (e) to the extent that the amendments relate to duties of excise and related matters, as on and from 1 January 2002,
- (f) to the extent that the amendments relate to value-added tax and related matters, as on and from 1 January 2002,
- (g) to the extent that the amendments relate to capital acquisitions tax and related matters, other than the amendments relating to such matters referred to in *subparagraphs (viii) and (ix)* of *paragraph (1)*, as respects gifts or inheritances taken on or after 1 January 2002,

- (h) to the extent that the amendments relate to stamp duties and related matters, other than the amendments relating to such matters referred to in *subparagraphs (x), (xi), (xii) and (xiii) of paragraph (l)*, as respects instruments executed on or after 1 January 2002,
- (i) to the extent that section 1086 of the Taxes Consolidation Act, 1997 is amended, as respects specified sums such as are referred to in paragraphs (c) and (d) of section 1086(2) of that Act which the Revenue Commissioners accept or undertake to accept on or after 1 January 2002,
- (j) to the extent that section 100 of the Finance Act, 1983 is amended, as respects any sale of an estate or interest in residential property the date of the contract for which is on or after 1 January 2002,
- (k) to the extent that the enactment amended imposes any fine, forfeiture, penalty or punishment for any act or omission, as respects any act or omission which takes place or begins on or after 1 January 2002,

and

(l) to the extent that—

- (i) section 110 of the Taxes Consolidation Act, 1997 (in this paragraph referred to as the “Act of 1997”) is amended, as respects a company acquiring qualifying assets on or after 1 January 2002,
- (ii) sections 201 and 202 of the Act of 1997 and Schedule 3 to that Act are amended, as respects payments made on or after 1 January 2002,
- (iii) section 404(6) of the Act of 1997 is amended, as respects a lease entered into on or after 1 January 2002,
- (iv) section 481(2)(c) of the Act of 1997 is amended, as respects a certificate issued under subsection (2)(a)(i) of that section on or after 1 January 2002,
- (v) section 491 of the Act of 1997 is amended, as respects eligible shares (within the meaning of section 488 of that Act) issued on or after 1 January 2002,
- (vi) section 494(1) of the Act of 1997 is amended, as respects a relevant investment (within the meaning of section 488 of that Act) being an individual’s first such investment made on or after 1 January 2002, and sections 494(5) and 494(6)(b) of that Act are amended, as respects a subscription for eligible shares (within the meaning of section 488 of that Act) where the specified date (within the meaning of section 494 of that Act) in relation to that subscription is a date on or after 1 January 2002,
- (vii) sections 598 and 602 of the Act of 1997 are amended, as respects disposals made on or after 1 January 2002,

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- (viii) the First and Second Schedule to the Capital Acquisitions Tax Act, 1976 and section 54(1)(b) of that Act are amended, as respects the computation of tax on gifts and inheritances taken on or after 1 January 2002, Pr.8 S.240
- (ix) sections 146(4B)(a)(i)(I), 146(4B)(a)(i)(II)(B), 146(4C)(b) and 146(4C)(c) of the Finance Act, 1994 are amended, as respects applications for registration made on or after 1 January 2002,
- (x) sections 117(1) and 117(2)(a) of the Stamp Duties Consolidation Act, 1999 (in this paragraph referred to as the “Act of 1999”) are amended, as respects transactions occurring on or after 1 January 2002,
- (xi) sections 123(3)(b)(ii) and 123(4) of the Act of 1999 are amended, as respects any statement which falls to be delivered by a promoter under section 123 of that Act, on or after 1 January 2002, and
- (xii) sections 124(1)(c), 124(2)(c) and 124(2)(d)(ii) of the Act of 1999 are amended, as respects any statement which falls to be delivered by a bank or promoter under section 124 of that Act on or after 1 January 2002, and
- (xiii) section 146(3) of the Act of 1999 is amended, as respects any licence granted by the Commissioners under section 146(1) of that Act on or after 1 January 2002.

241.—(1) The Principal Act is amended by the deletion—

- (a) in the Table to section 37 of the words “Securities issued on or after the 25th day of May, 1988, by Bord Telecom Éireann” and “Securities issued on or after the 25th day of May, 1988, by Irish Telecommunications Investments plc.”,
- (b) in section 607(1)(d) of the words “Bord Telecom Éireann, Irish Telecommunications Investments plc.”, and
- (c) in section 838(1)(a), in paragraph (ii) of the definition of “securities”, of the words “Bord Telecom Éireann, Irish Telecommunications Investments plc.”.

Deletion of certain references to Bord Telecom Éireann and Irish Telecommunications Investments plc. in Principal Act.

(2) This section shall have effect as respects any securities issued by Bord Telecom Éireann or Irish Telecommunications Investments plc. on or after 15 February 2001.

242.—All the taxes and duties imposed by this Act are placed under the care and management of the Revenue Commissioners.

Care and management of taxes and duties.

243.—(1) This Act may be cited as the Finance Act, 2001.

Short title, construction and commencement.

(2) *Part 1* (so far as relating to income tax) shall be construed together with the Income Tax Acts and (so far as relating to corporation tax) shall be construed together with the Corporation Tax Acts

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and (so far as relating to capital gains tax) shall be construed together with the Capital Gains Tax Acts.

(3) *Parts 2 and 3* (so far as relating to duties of excise) shall be construed together with the statutes which relate to the duties of excise and to the management of those duties and *Part 3* (so far as relating to customs) shall be construed together with the Customs Acts.

(4) *Part 4* shall be construed together with the Value-Added Tax Acts, 1972 to 2000, and may be cited together therewith as the Value-Added Tax Acts, 1972 to 2001.

(5) *Part 5* shall be construed together with the Stamp Duties Consolidation Act, 1999.

(6) *Part 6* (so far as relating to capital acquisitions tax) shall be construed together with the Capital Acquisitions Tax Act, 1976, and the enactments amending or extending that Act.

(7) *Part 7* (so far as relating to anti-speculative property tax) shall be construed together with the Finance (No. 2) Act, 2000.

(8) *Part 8* (so far as relating to income tax) shall be construed together with the Income Tax Acts and (so far as relating to corporation tax) shall be construed together with the Corporation Tax Acts and (so far as relating to capital gains tax) shall be construed together with the Capital Gains Tax Acts and (so far as relating to value-added tax) shall be construed together with the Value-Added Tax Acts, 1972 to 2001 and (so far as relating to residential property tax) shall be construed together with Part VI of the Finance Act, 1983, and the enactments amending or extending that Part and (so far as relating to gift tax or inheritance tax) shall be construed together with the Capital Acquisitions Tax Act, 1976, and the enactments amending or extending that Act.

(9) *Part 1* shall, save as is otherwise expressly provided therein, apply as on and from 6 April 2001.

(10) In relation to *Part 4*:

(a) *sections 181, 187 and 189* shall be deemed to have come into force and shall take effect as on and from 1 January 2001;

(b) *paragraph (b) of section 188* shall be deemed to have come into force and shall take effect as on and from 8 January 2001;

(c) *paragraphs (c), (d) and (e) of section 199, and section 200,* shall have effect as on and from 1 May 2001;

(d) *paragraphs (b) and (c) of section 193* shall have effect as on and from 1 July 2001;

(e) *paragraphs (a) and (b) of section 199* shall have effect as on and from 1 September 2001;

(f) *section 198* shall have effect as on and from 1 January 2002;

(g) the provisions of this *Part*, other than those specified in *paragraphs (a) to (f)* shall have effect as on and from the date of passing of this Act.

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(11) Any reference in this Act to any other enactment shall, except so far as the context otherwise requires, be construed as a reference to that enactment as amended by or under any other enactment including this Act. Pr.8 S.243

(12) In this Act, a reference to a Part, section or Schedule is to a Part or section of, or Schedule to, this Act, unless it is indicated that reference to some other enactment is intended.

(13) In this Act, a reference to a subsection, paragraph, subparagraph, clause or subclause is to the subsection, paragraph, subparagraph, clause or subclause of the provision (including a Schedule) in which the reference occurs, unless it is indicated that reference to some other provision is intended.

SCHEDULE 1

AMENDMENTS CONSEQUENTIAL ON CHANGES IN PERSONAL RELIEFS

1. As respects the year of assessment 2001 and subsequent years of assessment, the Taxes Consolidation Act, 1997, is amended as follows—

(a) in subsection (1) of section 3—

(i) by the insertion of the following definitions before the definition of “higher rate”:

“‘chargeable tax’, in relation to an individual for a year of assessment, means the amount of income tax to which the individual is chargeable for that year of assessment under section 15 in respect of his or her total income for that year including, in the case of an individual assessed to tax in accordance with the provisions of section 1017, the total income, if any, of the individual’s spouse;

‘general tax credit’, in relation to an individual for a year of assessment, means any relief (other than a credit under section 59) applicable for that year of assessment, not by way of deduction from income, but by way of reduction of or deduction from the chargeable tax or by way of repayment thereof when paid, other than a personal tax credit, and such credit shall be determined by reference to the amount of the reduction, deduction or repayment as the case may be;”, and

(ii) by the insertion of the following definitions before the definition of “relative”:

“‘income tax payable’, in relation to an individual for a year of assessment, means the chargeable tax less the aggregate of the personal tax credits and general tax credits;

‘personal tax credit’, in relation to an individual for a year of assessment, means a tax credit specified in sections 461, 461A, 462, 463, 464, 465, 466, 466A, 468 and 472;”,

(b) in section 126, by the substitution in subsection (7) of the following for paragraphs (a) and (b):

“(a) The Revenue Commissioners may, in order to provide for the efficient collection and recovery of any tax due in respect of benefits to which subsection (3) applies, make regulations modifying the Income Tax (Employments) Regulations, 1960 (S.I. No. 28 of 1960), in their application to those benefits, the employees in receipt of those benefits, the reliefs from income tax appropriate to such employees, and employers of such employees or certificates of tax credits and standard rate cut-off point or tax deduction cards held by employers of such employees in respect of those employees.

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(b) Without prejudice to the generality of paragraph (a), regulations under that paragraph may include provision for the reallocation by the Revenue Commissioners (without the issue of amended notices of determination of tax credits and standard rate cut-off point, amended certificates of tax credits and standard rate cut-off point and amended tax deduction cards) of the reliefs from income tax appropriate to employees between the benefits to which subsection (3) applies and other emoluments receivable by them.”

(c) in section 128, by the substitution, in subsection (2A)(inserted by the Finance Act, 2000), of the following for paragraph (a):

“(a) that amount is deducted in accordance with regulations made under section 986 in determining the amount of his or her tax credits and standard rate cut-off point, or”

(d) in section 187—

(i) by the substitution of the following for subsection (1):

“(1) In this section, ‘the specified amount’ means, subject to subsection (2)—

(a) in a case where the individual would apart from this section be entitled to a tax credit specified in section 461(a) (inserted by the *Finance Act, 2001*), £6,068, and

(b) in any other case, £3,034.”

and

(ii) in paragraph (a) of subsection (2), by the substitution of “£333” for “£450”, in both places where it occurs, and of “£481” for “£650”,

(e) in section 458—

(i) in subsection (1), by the substitution of the following for paragraph (b):

“(b) to have the income tax to be charged on the individual reduced by such tax credits and other reductions as are specified in the provisions referred to in Part 2 of that Table, but subject to subsection (1A) and those provisions.”

(ii) by the insertion after subsection (1) of the following:

“(1A) Where an individual is entitled to a tax credit specified in a provision referred to in Part 2 of the Table to this section, the income tax to be charged on the individual for the year of assessment, other than in accordance with section 16(2), shall be reduced by the lesser of—

(a) the amount of the tax credit, or

(b) the amount which reduces that income tax to nil.”,

(iii) in subsection (2), by the substitution of the following for paragraph (b):

“(b) any such tax credits or reductions in tax as are specified in the provisions referred to in Part 2 of the Table to this section.”,

and

(iv) in Part 2 of the Table to the section, by the substitution of “Section 461” for “Section 461(2)”,

(f) by the substitution of the following for section 461 (inserted by the Finance Act, 1999):

“Basic personal tax credit.

461.—In relation to any year of assessment, an individual shall be entitled to a tax credit (to be known as the ‘basic personal tax credit’) of—

(a) £1,628, in a case in which the claimant is a married person who—

(i) is assessed to tax for the year of assessment in accordance with section 1017, or

(ii) proves that his or her spouse is not living with him or her but is wholly or mainly maintained by him or her for the year of assessment and that the claimant is not entitled, in computing his or her income for tax purposes for that year, to make any deduction in respect of the sums paid by him or her for the maintenance of his or her spouse,

(b) £1,628, in a case in which the claimant in the year of assessment is a widowed person, other than a person to whom paragraph (a) applies, whose spouse has died in the year of assessment, and

(c) £814, in the case of any other claimant.”,

(g) by the substitution of the following for section 461A (inserted by the Finance Act, 2000):

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“Additional tax credit for certain widowed persons.

461A.—A widowed person, other than a person to whom paragraph (a) or (b) of section 461, or to whom section 462, applies, shall, in addition to the basic personal tax credit referred to in section 461(c), be entitled to a tax credit (to be known as the ‘widowed person tax credit’) of £148.”

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(h) by the substitution of the following for section 462 (inserted by the Finance Act, 1999):

“One-parent family tax credit.

462.—(1) (a) In this section, ‘qualifying child’, in relation to any claimant and year of assessment, means—

(i) a child—

(I) born in the year of assessment,

(II) who, at the commencement of the year of assessment, is under the age of 18 years, or

(III) who, if over the age of 18 years at the commencement of the year of assessment—

(A) is receiving full-time instruction at any university, college, school or other educational establishment,

(B) is permanently incapacitated by reason of mental or physical infirmity from maintaining himself or herself and had become so permanently incapacitated before he or she had attained the age of 21 years or had become so permanently incapacitated after attaining the age of 21 years but while he or she had

been in receipt of such full-time instruction,

and

(ii) a child who is a child of the claimant or, not being such a child, is in the custody of the claimant and is maintained by the claimant at the claimant's own expense for the whole or part of the year of assessment.

(b) This section shall apply to an individual who is not entitled to a basic personal tax credit mentioned in paragraph (a) or paragraph (b) of section 461.

(2) Subject to subsection (3), where a claimant, being an individual to whom this section applies, proves for a year of assessment that a qualifying child is resident with him or her for the whole or part of the year, the claimant shall be entitled to a tax credit (to be known as the 'one-parent family tax credit') of £814, but this section shall not apply for any year of assessment in the case of a husband or a wife where the wife is living with her husband, or in the case of a man and woman living together as man and wife.

(3) A claimant shall be entitled to only one tax credit under subsection (2) for any year of assessment irrespective of the number of qualifying children resident with the claimant in that year.

(4) (a) The references in subsection (1)(a) to a child receiving full-time instruction at an educational establishment shall include references to a child undergoing training by any person (in this subsection referred to as 'the employer') for any trade or profession in such circumstances that the child is required to devote the whole of his or her time to the training for a period of not less than 2 years.

(b) For the purpose of a claim in respect of a child undergoing training, the inspector may require the employer to furnish particulars with respect

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to the training of the child in such form as may be prescribed by the Revenue Commissioners. SCH.1

(5) Where any question arises as to whether any person is entitled to a tax credit under this section in respect of a child over the age of 18 years as being a child who is receiving full-time instruction referred to in this section, the Revenue Commissioners may consult the Minister for Education and Science.”,

(i) by the substitution of the following for section 463 (inserted by the Finance Act, 2000):

“Widowed parent tax credit.

463.—(1) In this section—

‘claimant’ means an individual whose spouse dies in a year of assessment;

‘qualifying child’, in relation to a claimant and a year of assessment, has the same meaning as in section 462, and the question of whether a child is a qualifying child shall be determined on the same basis as it would be for the purposes of section 462, and subsections (3), (4) and (5) of that section shall apply accordingly.

(2) Where a claimant proves, in relation to any of the 5 years of assessment immediately following the year of assessment in which the claimant’s spouse dies, that—

(a) he or she has not remarried before the commencement of the year, and

(b) a qualifying child is resident with him or her for the whole or part of the year,

the claimant shall, in respect of each of the years in relation to which the claimant so proves, be entitled to a tax credit (to be known as ‘the widowed parent tax credit’) as follows—

(i) for the first of those 5 years, £2,000,

(ii) for the second of those 5 years, £1,600,

(iii) for the third of those 5 years, £1,200,

(iv) for the fourth of those 5 years, £800, and

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(v) for the fifth of those 5 years,
£400,

but this section shall not apply for any year of assessment in the case of a man and woman living together as man and wife.”,

(j) by the substitution of the following for section 464 (inserted by the Finance Act, 2000):

“Age tax credit.

464.—Where for any year of assessment an individual is entitled to a basic personal tax credit under section 461 and proves that at any time during that year of assessment—

(a) the individual, or

(b) in the case of a married person whose spouse is living with him or her and who is assessed to tax in accordance with section 1017, either the individual or the individual’s spouse,

was of the age of 65 years or over, the individual shall, in addition to the tax credit to which the individual is entitled under section 461 for that year of assessment, be entitled to an additional tax credit (to be known as the ‘age tax credit’) of—

(i) in a case where the individual is a married person whose spouse is living with him or her and the individual is assessed to tax in accordance with section 1017, £238, and

(ii) in any other case, £119.”,

(k) by the substitution of the following for section 465 (inserted by the Finance Act, 2000):

“Incapacitated child tax credit.

465.—(1) Where a claimant proves that he or she has living at any time during a year of assessment any child who—

(a) is under the age of 18 years and is permanently incapacitated by reason of mental or physical infirmity, or

(b) if over the age of 18 years at the commencement of the year, is permanently incapacitated by reason of mental or physical infirmity from maintaining himself or herself and had become so permanently

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incapacitated before he or she had attained the age of 21 years or had become so permanently incapacitated after attaining the age of 21 years but while he or she had been in receipt of full-time instruction at any university, college, school or other educational establishment,

SCH.1

the claimant shall, subject to this section, be entitled in respect of each such child to a tax credit (to be known as the ‘incapacitated child tax credit’) of £238.

(2) (a) A child under the age of 18 years shall be regarded as permanently incapacitated by reason of mental or physical infirmity only if the infirmity is such that there would be a reasonable expectation that if the child were over the age of 18 years the child would be incapacitated from maintaining himself or herself.

(b) A tax credit under this section shall be in substitution for and not in addition to any tax credit to which the individual might be entitled in respect of the same child under section 466.

(3) Where the claimant proves for the year of assessment—

(a) that the claimant has the custody of and maintains at his or her own expense any child who, but for the fact that that child is not a child of the claimant, would be a child referred to in subsection (1), and

(b) that neither the claimant nor any other individual is entitled to a tax credit in respect of the same child under subsection (1) or under any other provision of this Part (other than section 466A), or, if any other individual is entitled to such a tax credit, that such other individual has relinquished his or her claim to that tax credit,

the claimant shall be entitled to the same tax credit in respect of the child as if the child were a child of the claimant.

(4) (a) The reference in subsection (1) to a child receiving full-time instruction at an educational establishment shall include a reference to a child undergoing training by any person (in this subsection referred to as 'the employer') for any trade or profession in such circumstances that the child is required to devote the whole of his or her time to the training for a period of not less than 2 years.

(b) For the purpose of a claim in respect of a child undergoing training, the inspector may require the employer to furnish particulars with respect to the training of the child in such form as may be prescribed by the Revenue Commissioners.

(5) Where any question arises as to whether any person is entitled to a tax credit under this section in respect of a child over the age of 21 years as being a child who had become permanently incapacitated by reason of mental or physical infirmity from maintaining himself or herself after attaining that age but while in receipt of full-time instruction referred to in this section, the Revenue Commissioners may consult the Minister for Education and Science.

(6) Where for any year of assessment 2 or more individuals are or would but for this subsection be entitled under this section to relief in respect of the same child, the following provisions shall apply:

(a) only one tax credit under this section shall be allowed in respect of the child;

(b) where the child is maintained by one individual only, that individual only shall be entitled to claim such tax credit;

(c) where the child is maintained jointly by two or more individuals, each of those individuals shall be entitled to

claim such part of such tax SCH.1
credit as is proportionate to
the amount expended by him
or her on the maintenance of
the child;

- (d) in ascertaining for the purposes of this subsection whether an individual maintains a child and, if so, to what extent, any payment made by the individual for or towards the maintenance of the child which the individual is entitled to deduct in computing his or her total income for the purposes of the Income Tax Acts shall be deemed not to be a payment for or towards the maintenance of the child.”,

(l) by the substitution of the following for section 466 (inserted by the Finance Act, 2000):

“Dependent
relative tax credit.

466.—(1) In this section ‘specified amount’ means an amount which does not exceed by more than £163 the aggregate of the payments to which an individual is entitled in a year of assessment in respect of an old age (contributory) pension at the maximum rate under the Social Welfare (Consolidation) Act, 1993, if throughout that year of assessment such individual were entitled to such a pension and—

- (a) has no adult dependant or qualified children (within the meaning, in each case, of that Act),
- (b) is over the age of 80 years (or such other age as may be specified in that Act for the time being in place of 80 years),
- (c) is living alone, and
- (d) is ordinarily resident on an island.

(2) Where for any year of assessment a claimant proves that he or she maintains at his or her own expense any person, being—

- (a) a relative of the claimant, or of the claimant’s spouse, incapacitated by old age or infirmity from maintaining himself or herself,

(b) the widowed father or widowed mother of the claimant or of the claimant's spouse, whether incapacitated or not, or

(c) a son or daughter of the claimant who resides with the claimant and on whose services the claimant, by reason of old age or infirmity, is compelled to depend,

and being an individual whose total income from all sources for that year of assessment does not exceed a sum equal to the specified amount, the claimant shall be entitled in respect of each individual whom the claimant so maintains to a tax credit (to be known as the 'dependent relative tax credit') of £33 for the year of assessment.

(3) Where 2 or more individuals jointly maintain any individual referred to in paragraphs (a) to (c) of subsection (2), the tax credit to be granted under this section in respect of that individual shall be apportioned between them in proportion to the amount or value of their respective contributions towards the maintenance of that individual.”,

(m) by the substitution of the following section for section 466A (inserted by the Finance Act, 2000):

“Home carer tax credit.

466A.—(1) In this section—

‘dependent person’, in relation to a qualifying claimant, means a person (other than the spouse of the qualifying claimant) who, subject to subsection (3), resides with that qualifying claimant and who is—

(a) a child in respect of whom either the qualifying claimant or his or her spouse is, at any time in a year of assessment, in receipt of child benefit under Part IV of the Social Welfare (Consolidation) Act, 1993, or

(b) an individual who, at any time during a year of assessment, is of the age of 65 years or over, or

(c) an individual who is permanently incapacitated by reason of mental or physical infirmity;

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‘qualifying claimant’, in relation to a SCH.1
year of assessment, means an
individual—

- (a) who is assessed to tax for that year in accordance with section 1017, and
- (b) who, or whose spouse (in this section referred to as the ‘carer spouse’) is engaged during that year in caring for one or more dependent persons;

‘relative’, in relation to a qualifying claimant, includes a relation by marriage and a person in respect of whom the qualifying claimant is or was the legal guardian.

(2) Where for any year of assessment an individual proves that he or she is a qualifying claimant he or she shall be entitled to a tax credit (to be known as the ‘home carer tax credit’) of £444.

(3) For the purposes of this section—

- (a) a dependent person in relation to a qualifying claimant who is a relative of that claimant or the claimant’s spouse shall be regarded as residing with the qualifying claimant if—
 - (i) the relative lives in close proximity to the qualifying claimant, and
 - (ii) a direct system of communication exists between the qualifying claimant’s residence and the residence of the relative,

and

- (b) a qualifying claimant and a relative shall be regarded as living in close proximity if they reside—
 - (i) next door in adjacent residences, or
 - (ii) on the same property, or
 - (iii) within 2 kilometres of each other.

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(4) A qualifying claimant shall be entitled to only one tax credit under subsection (2) for any year of assessment irrespective of the number of dependent persons resident with the qualifying claimant in that year.

(5) A tax credit under this section in respect of a dependent person shall be granted to one and only one qualifying claimant being the person with whom that dependent person normally resides or, where subsection (3) applies, the person who, or whose spouse, normally cares for the dependent person.

(6) (a) Where in any year of assessment the carer spouse is entitled in his or her own right to an income exceeding £2,960 in that year, the tax credit shall be reduced by one-half of the amount of that excess.

(b) For the purposes of paragraph (a), no account shall be taken of—

(i) any Carer's Benefit payable under Chapter 11A (inserted by the Social Welfare Act, 2000) of Part II of the Social Welfare (Consolidation) Act, 1993, or

(ii) any Carer's Allowance payable under Chapter 10 of Part III of that Act.

(7) (a) Notwithstanding subsection (6) but subject to the other provisions of this section including this subsection, a tax credit may be granted for a year of assessment where the claimant was entitled to a tax credit under this section for the immediately preceding year of assessment.

(b) Where a tax credit is to be granted for a year of assessment by virtue of paragraph (a), it shall not exceed the amount of the tax credit granted in the immediately preceding year of assessment.

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(c) A tax credit shall not be granted for a year of assessment by virtue of paragraph (a) if it was so granted for the immediately preceding year of assessment. SCH.1

(8) Where for any year of assessment a tax credit is granted to an individual under this section, the individual shall not also be entitled to the benefit of the provision contained in section 15(3) but the individual may elect by notice in writing to the inspector to have the benefit under the said section granted instead of the tax credit granted under this section.”,

(n) by the substitution of the following for section 468 (inserted by the Finance Act, 2000):

“Blind person’s tax credit. 468.—(1) In this section, ‘blind person’ means a person whose central visual acuity does not exceed 6/60 in the better eye with correcting lenses, or whose central visual acuity exceeds 6/60 in the better eye or in both eyes but is accompanied by a limitation in the fields of vision that is such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(2) Where an individual proves for a year of assessment that—

(a) he or she was for the whole or any part of the year of assessment a blind person, or

(b) where he or she is assessed to tax in accordance with section 1017, either or both he or she and his or her spouse was for the whole or any part of the year of assessment a blind person,

the individual shall be entitled to a tax credit (to be known as the ‘blind person’s tax credit’) of £444, or where the individual and his or her spouse are both blind, £888.”,

(o) by the substitution of the following for section 472 (inserted by the Finance Act, 1999):

“Employee tax credit. 472.—(1) (a) In this section—

‘appropriate percentage’, in relation to a year of assessment, means a percentage equal to the standard rate of tax for that year;

‘emoluments’ means emoluments to which Chapter 4 of Part 42 applies or is applied, but does not include—

- (i) emoluments paid directly or indirectly by a body corporate (or by any person who would be regarded as connected with the body corporate) to a proprietary director of the body corporate or to the spouse or child of such a proprietary director, and
- (ii) emoluments paid directly or indirectly by an individual (or by a partnership in which the individual is a partner) to the spouse or child of the individual;

‘director’ means—

- (i) in relation to a body corporate the affairs of which are managed by a board of directors or similar body, a member of that board or body,
- (ii) in relation to a body corporate the affairs of which are managed by a single director or similar person, that director or person, and
- (iii) in relation to a body corporate the affairs of which are managed by the members themselves, a member of the body corporate,

and includes any person who is or has been a director;

‘proprietary director’ means a director of a company who is either

the beneficial owner of, SCH.1
or able, either directly or
through the medium of
other companies or by
any other indirect means,
to control, more than 15
per cent of the ordinary
share capital of the
company;

‘specified employed con-
tributor’ means a person
who is an employed con-
tributor for the purposes
of the Social Welfare
(Consolidation) Act,
1993, but does not
include a person—

(i) who is an employed
contributor for
those purposes by
reason only of
section 9(1)(b) of
that Act, or

(ii) to whom Article 81,
82 or 83 of the
Social Welfare
(Consolidated Con-
tributions and
Insurability) Regu-
lations, 1996 (S.I.
No. 312 of 1996),
applies.

(b) For the purposes of the defini-
tion of ‘proprietary director’,
ordinary share capital which
is owned or controlled as
referred to in that definition
by a person, being a spouse or
a minor child of a director, or
by a trustee of a trust for the
benefit of a person or per-
sons, being or including any
such person or such director,
shall be deemed to be owned
or controlled by such director
and not by any other person.

(2) The exclusion from the definition
of ‘emoluments’ of the emoluments
referred to in subparagraphs (i) and (ii)
of that definition shall not apply for any
year of assessment to any such emolu-
ments paid to an individual, being a child
(other than a child who is a proprietary
director) to whom subparagraph (i) or
(ii) of that definition relates, if for that
year—

(a) (i) the individual is a specified employed contributor, or

(ii) the Income Tax (Employments) Regulations, 1960 (S.I. No. 28 of 1960), in so far as they apply, have, in relation to any such emoluments paid to the individual in the year of assessment, been complied with by the person by whom the emoluments are paid,

(b) the conditions of the office or employment, in respect of which any such emoluments are paid, are such that the individual is required to devote, throughout the year of assessment, substantially the whole of the individual's time to the duties of the office or employment and the individual does in fact do so, and

(c) the amount of any such emoluments paid to the individual in the year of assessment are not less than £2,664.

(3) Where an individual is in receipt of profits or gains from an office or employment held or exercised outside the State, such profits or gains shall be deemed to be emoluments within the meaning of subsection (1) if such profits or gains—

(a) are chargeable to tax in the country in which they arise,

(b) on payment by the person making such payment, are subject to a system of tax deduction similar in form to that provided for in Chapter 4 of Part 42,

(c) are chargeable to tax in the State on the full amount of such profits or gains under Schedule D, and

(d) if the office or employment was held or exercised in the State and the person was resident in the State, would be emoluments within the meaning of that subsection.

(4) Where, for any year of assessment, a claimant proves that his or her total

income for the year consists in whole or in part of emoluments (including, in a case where the claimant is a married person assessed to tax in accordance with section 1017, any emoluments of the claimant's spouse deemed to be income of the claimant by that section for the purposes referred to in that section) the claimant shall be entitled to a tax credit (to be known as the 'employee tax credit') of—

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(a) where the emoluments (but not including, in the case where the claimant is a married person so assessed, the emoluments, if any, of the claimant's spouse) arise to the claimant, the lesser of an amount equal to the appropriate percentage of the emoluments and £296, and

(b) where, in a case where the claimant is a married person so assessed, the emoluments arise to the claimant's spouse, the lesser of an amount equal to the appropriate percentage of the emoluments and £296.

(5) Where a tax credit is due under this section by virtue of subsection (2), it shall be given by means of repayment of tax.”,

(p) in section 784A (inserted by the Finance Act, 1999), by the substitution, in paragraph (a) of subsection (3), of “certificate of tax credits and standard rate cut-off point” for “certificate of tax-free allowances”,

(q) in section 885, by the substitution in subsection (1), of the following for paragraph (a) of the definition of “tax reference number”:

“(a) the Personal Public Service Number (PPSN) stated on any certificate of tax credits and standard rate cut-off point issued to that person by an inspector, not being a certificate issued to an employer in respect of an employee.”,

(r) in section 903, by the substitution in the definition of “records” in subsection (1), of “certificates of tax credits and standard rate cut-off point” for “certificates of tax-free allowances”,

(s) in section 983, by the insertion of the following before the definition of “tax deduction card”:

“‘reliefs from income tax’ means allowances, deductions and tax credits;

'tax credits' means personal tax credits and general tax credits;”,

(t) in section 986—

(i) in subsection (1)—

(I) by the substitution in paragraph (a) of “reliefs from income tax” for “allowances, deductions and reliefs”, and

(II) by the substitution of the following paragraph for paragraph (g):

“(g) for requiring any employer making any payment of emoluments to which this Chapter applies, when making a deduction or repayment of tax in accordance with this Chapter and regulations under this Chapter, to make such deduction or repayment as would require to be made if the amount of emoluments were the emoluments reduced by the amount of any contributions payable by the employee and deductible by the employer from the emoluments being paid and which—

(i) by virtue of section 471 are allowed as a deduction in ascertaining the amount of income on which the employee is to be charged to income tax, or

(ii) by virtue of Chapter 1 of Part 30 are for the purposes of assessment under Schedule E allowed as a deduction from the emoluments;”,

(ii) in subsection (3), by the substitution in paragraph (b) of “provisional reliefs from income tax” for “a provisional deduction for allowances and reliefs”, and

(iii) in subsection (4), by the substitution of “reliefs from income tax” for “allowances, deductions and reliefs”,

and

(u) in Schedule 3, by the substitution, in the construction of “T” in the formula in paragraph 10, of “income tax payable” for “income tax chargeable”.

2. As respects the year of assessment 2002 and subsequent years of assessment, the Taxes Consolidation Act, 1997, as amended by *paragraph 1*, is further amended as follows—

(a) in section 187—

(i) in subsection (1), by the substitution of “€10,420” for “£6,068” and of “€5,210” for “£3,034”, and

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- (ii) in paragraph (a) of subsection (2), by the substitution SCH.1
of “€575” for “£333”, in both places where it occurs,
and of “€830” for “£481”,
- (b) in section 461, by the substitution of “€2,794” for “£1,628”,
in both places where it occurs, and of “€1,397” for
“£814”,
- (c) in section 461A, by the substitution of “€254” for “£148”,
- (d) in section 462, by the substitution, in subsection (2), of
“€1,397” for “£814”,
- (e) in section 463, by the substitution in subsection (2), of
“€2,540”, “€2,032”, “€1,524”, “€1,016” and “€508”,
respectively, for “£2,000”, “£1,600”, “£1,200”, “£800”
and “£400”,
- (f) in section 464, by the substitution of “€408” and “€204”,
respectively, for “£238” and “£119”,
- (g) in section 465, by the substitution, in subsection (2), of
“€408” for “£238”,
- (h) in section 466—
- (i) by the substitution in subsection (1), of “€280” for
“£163”, and
- (ii) by the substitution in subsection (2), of “€56” for
“£33”,
- (i) in section 466A, by the substitution—
- (i) in subsection (2), of “€762” for “£444”, and
- (ii) in paragraph (a) of subsection (6), of “€5,080” for
“£2,960”,
- (j) in section 468, in subsection (2), by the substitution of
“€762” and “€1,524”, respectively for “£444” and
“£888”, and
- (k) in section 472, by the substitution—
- (i) in subsection (2), of “€4,572” for “£2,664”, and
- (ii) in subsection (4), of “€508” for “£296”, in both places
where it occurs.

SCHEDULE 2

CHANGEOVER TO CALENDAR YEAR OF ASSESSMENT

Amendment of Taxes Consolidation Act, 1997

Subject to the provisions of *paragraph 61*, the Taxes Consolidation Act, 1997, is amended in accordance with the following provisions of this Schedule.

Taxation of strips of securities

1. In section 55(1), in paragraph (a) of the definition of “relevant day”, for “the 5th day of April” there shall be substituted “31 December”.

Basis of assessment under Cases I and II of Schedule D

2. In section 65, after subsection (3) there shall be inserted the following:

“(3A) As respects the year of assessment 2001, subsection (2) shall apply as if in both paragraph (a) and paragraph (b) of that subsection ‘74 per cent of the profits or gains of the year ending on that date’ were substituted for ‘the profits or gains of the year ending on that date’.

(3B) For the purposes of subsection (2)(a), an account made up for a period of one year to a date falling in the period from 1 January 2002 to 5 April 2002 shall, in addition to being an account made up to a date in the year of assessment 2002, be deemed to be an account for a period of one year made up to a date within the year of assessment 2001, and the corresponding period in relation to the year of assessment 2000-2001 for the purposes of subsection (3) shall be determined accordingly.

(3C) Notwithstanding subsection (3), where the profits or gains of the year of assessment 2001 have been taken to be the full amount of the profits or gains of that year of assessment in accordance with subsection (2)(c), and the full amount of the profits or gains of the year of assessment 2000-2001 exceed the profits or gains charged to income tax for that year of assessment, then, the profits or gains of the year of assessment 2000-2001 shall be taken to be the full amount of the profits or gains of that year of assessment and the assessment shall be amended accordingly.

(3D) Notwithstanding subsection (3), where the profits or gains of a period of one year ending in the year of assessment 2002 have been taken to be the profits or gains of that year of assessment in accordance with subsection (2)(b), and the profits or gains charged to income tax for the year of assessment 2001 are less than 74 per cent of the profits or gains of the corresponding period relating to the year of assessment 2001, then, the profits or gains of the year of assessment 2001 shall be taken to be 74 per cent of the profits or gains of that corresponding period and the assessment shall be amended accordingly.

(3E) For the purposes of subsection (3D), where, apart from this subsection, a period (in this subsection referred to as the ‘relevant period’) would not be treated as the corresponding period relating to the year of assessment 2001 by virtue of the

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fact that the relevant period ends on a date falling in the period SCH.2
from 1 January 2001 to 5 April 2001, the relevant period shall,
notwithstanding any other provision of the Income Tax Acts,
be treated as the corresponding period relating to that year of
assessment.

(3F) Notwithstanding subsection (3), where the profits or
gains of the year of assessment 2002 have been taken to be the
full amount of the profits or gains of that year of assessment in
accordance with subsection (2)(c), and the full amount of the
profits or gains of the year of assessment 2001 exceed the profits
or gains charged to income tax for that year of assessment, then,
the profits or gains of the year of assessment 2001 shall be taken
to be the full amount of the profits or gains of that year of
assessment and the assessment shall be amended accordingly.”.

Special basis at commencement of trade or profession

3. In section 66, after subsection (3) there shall be inserted the
following:

“(3A) As respects the year of assessment 2001, subsection (2)
shall apply as if in both paragraph (a) and paragraph (b) of that
subsection ‘74 per cent of the full amount of the profits or gains’
were substituted for ‘the full amount of the profits or gains’.

(3B) As respects the year of assessment 2002—

(a) subsection (2) shall apply as if ‘within the period from
6 April 2001 to 31 December 2001’ were substituted
for ‘within one year preceding the year of assess-
ment’, and

(b) subsection (3) shall apply as if ‘within the period from
6 April 2000 to 5 April 2001’ were substituted for
‘within the year next before the year preceding the
year of assessment’.

(3C) As respects the year of assessment 2003, subsection (3)
shall apply as if ‘within the period from 6 April 2001 to 31
December 2001’ were substituted for ‘within the year next
before the year preceding the year of assessment’.”.

Special basis on discontinuance of trade or profession

4. In section 67(1)(a)—

(a) in subparagraph (i), for “the 6th day of April in that year”
there shall be substituted “the first day of the year of
assessment”,

and

(b) for subparagraph (ii) there shall be substituted the
following:

“(ii) if the full amount of the profits or gains of the year
of assessment preceding the year of assessment in
which the discontinuance occurs exceeds the
amount on which that person has been charged for
that preceding year of assessment, or would have
been charged if no such deduction or set-off to

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which such person may be entitled under section 382 had been allowed, an additional assessment may be made on such person, so that such person shall be charged for that preceding year of assessment on the full amount of the profits or gains of that preceding year of assessment, subject to any such deduction or set-off to which such person may be entitled.”.

Schedule E: basis of assessment, persons chargeable and extent of charge

5. In section 112(1), for “shall be charged annually” there shall be substituted “shall be charged for each year of assessment”.

Fixed deduction for certain classes of persons

6. In section 115, for “the average annual amount” there shall be substituted “the average amount for a year of assessment”.

Expenses allowances and provisions relating to general benefits in kind charge

7. In section 116(3), for “£1,500” (in both places where it occurs) there shall be substituted “£1,110”.

Benefit of use of car

8. In section 121—

(a) in subsection (3), after paragraph (b) there shall be inserted the following:

“(c) Notwithstanding paragraphs (a) and (b), the cash equivalent of the benefit of a car for the year of assessment 2001 shall be 74 per cent of the amount of the cash equivalent of the car for that year as ascertained under those paragraphs.”,

(b) after subsection (4) there shall be inserted the following:

“(4A) As respects the year of assessment 2001, subsection (4) shall apply—

(a) as if in paragraph (a) of that subsection ‘11,100 miles’ were substituted for ‘15,000 miles’,

and

(b) as if the following were substituted for the Table to that subsection:

‘TABLE

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| Business mileage | | Percentage |
|--------------------|--------------------|---------------|
| lower limit (1) | upper limit (2) | (3) |
| Miles | Miles | |
| 11,100 | 11,840 | 97.5 per cent |
| 11,840 | 12,580 | 95 per cent |
| 12,580 | 13,320 | 90 per cent |
| 13,320 | 14,060 | 85 per cent |
| 14,060 | 14,800 | 80 per cent |
| 14,800 | 15,540 | 75 per cent |
| 15,540 | 16,280 | 70 per cent |
| 16,280 | 17,020 | 65 per cent |
| 17,020 | 17,760 | 60 per cent |
| 17,760 | 18,500 | 55 per cent |
| 18,500 | 19,240 | 50 per cent |
| 19,240 | 19,980 | 45 per cent |
| 19,980 | 20,720 | 40 per cent |
| 20,720 | 21,460 | 35 per cent |
| 21,460 | 22,200 | 30 per cent |
| 22,200 | — | 25 per cent |

’”;

(c) in subsection (5), after paragraph (a) there shall be inserted the following:

“(aa) As respects the year of assessment 2001, paragraph (a) shall apply as if in subparagraph (ii) of that paragraph ‘3,700 miles’ were substituted for ‘5,000 miles’.”;

and

(d) in subsection (6), after paragraph (b) there shall be inserted the following:

“(bb) As respects the year of assessment 2001, paragraph (b) shall apply as if ‘3,700 miles’ were substituted for ‘5,000 miles’.”.

Deferral of payment of tax under section 128 (share options)

9. In section 128A—

(a) in subsection (3), for “31 January” there shall be substituted “31 October”;

and

(b) in subsection (4), for “1 November” (in both places where it occurs) there shall be substituted “31 October”.

Attribution of distributions to accounting periods

10. In section 154(3)(a), for “the 6th day of April, 2002,” there shall be substituted “1 January 2003”.

Deduction of dividend withholding tax on settlement of market claims

11. In section 172LA(7), for “the 21st day of May” there shall be substituted “15 February”.

Relief for agreed pay restructuring

12. In section 202(2)(g), for “6 April 2003” there shall be substituted “1 January 2004”.

Relief for interest paid on certain home loans

13. In section 244(1)(a), in the definition of “relievable interest”, for “£4,000”, “£2,000”, “£5,000” and “£2,500” there shall be substituted “£2,960”, “£1,480”, “£3,700” and “£1,850”, respectively.

Extension of relief under section 248 to certain individuals in relation to loans applied in acquiring interest in certain companies

14. In section 250(3), for “£2,400” there shall be substituted “£1,776”.

Restriction of relief to individuals on loans applied in acquiring interest in companies which become quoted companies

15. In section 252(1), in paragraph (b) of the definition of “the specified date”, for “the 6th day of April” there shall be substituted “1 January”.

Deposit interest retention tax

16. In section 258—

(a) in subsection (4)(b), for “the 6th day of April” there shall be substituted “1 January”,

and

(b) after subsection (4) there shall be inserted the following:

“(4A) For the purposes of this section and subject to subsection (4B), interest payable by a relevant deposit taker in respect of a relevant deposit, other than interest which cannot be determined until the date of payment of such interest, notwithstanding that the terms under which the deposit was made are complied with fully, shall be deemed—

(a) to accrue from day to day, and

(b) to be relevant interest paid by the relevant deposit taker on 31 December in each year of assessment to the extent that—

(i) it is deemed to accrue in that year of assessment, and

(ii) it is not paid in that year of assessment,

and the relevant deposit taker shall account for appropriate tax accordingly.

(4B) (a) Where, apart from subsection (4A), a relevant deposit taker makes a payment of relevant interest which is or includes interest

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(in paragraph (b) referred to as ‘accrued interest’) which, by virtue of that subsection, is deemed to have been paid by the relevant deposit taker on 31 December in a year of assessment, the relevant deposit taker shall—

- (i) deduct out of the whole of the amount of that payment the appropriate tax in relation to that payment in accordance with section 257, and
- (ii) account for that appropriate tax under this section,

and that appropriate tax shall be due and payable by the relevant deposit taker in accordance with this section.

- (b) So much of the appropriate tax paid by the relevant deposit taker by virtue of subsection (4A) as is referable to accrued interest included in a payment of relevant interest referred to in paragraph (a) shall be set off against any amount of appropriate tax due and payable by the relevant deposit taker for the year of assessment in which that payment of interest is made or against any amount, or amount on account of, appropriate tax due and payable by it for a year of assessment subsequent to that year (any such set-off being effected as far as may be against an amount so due and payable at an earlier date rather than a later date).”.

17. In section 259(2)—

(a) for “the period of 12 months” there shall be substituted “the period of 270 days”,

and

(b) in paragraph (c), for “the 5th day of April” there shall be substituted “31 December”.

18. In section 260(4)(a)(i), for “the 6th day of April,” there shall be substituted “1 January”.

Capital allowances: wear and tear allowances

19. In section 284, after subsection (3A) (inserted by the Finance Act, 1998) there shall be inserted the following:

“(3B) For the purposes of subsections (2)(b) and (3A)(c), and notwithstanding any other provision of the Income Tax Acts, the length of the basis period for the year of assessment 2001 shall be deemed to be—

- (a) the length of that period as determined in accordance with section 306, or
- (b) 270 days,

whichever is the lesser.”.

Owner-occupier allowance: Custom House Docks Area, Temple Bar Area, Designated Areas and Designated Streets, Dublin Docklands Area, Qualifying (Urban) Areas, Qualifying Rural Areas and Designated Areas of Certain Towns

20. In sections 328, 337, 349, 371, 372I, 372RA and 372AH, after subsection (2) in each of those sections there shall be inserted the following:

“(2A) Where the year of assessment first mentioned in subsection (2) or any of the 9 subsequent years of assessment is the year of assessment 2001, that subsection shall apply—

- (a) as if for ‘any of the 9 subsequent years of assessment’ there were substituted ‘any of the 10 subsequent years of assessment’,
- (b) as respects the year of assessment 2001, as if ‘3.7 per cent’ and ‘7.4 per cent’ were substituted for ‘5 per cent’ and ‘10 per cent’, respectively, and
- (c) as respects the year of assessment which is the 10th year of assessment subsequent to the year of assessment first mentioned in that subsection, as if ‘1.3 per cent’ and ‘2.6 per cent’ were substituted for ‘5 per cent’ and ‘10 per cent’, respectively.”.

Owner-occupier allowance: Designated Islands and Park and Ride Facilities

21. In sections 364 and 372Y, after subsection (2) in each of those sections there shall be inserted the following:

“(2A) Where the year of assessment first mentioned in subsection (2)(a) or any of the 9 subsequent years of assessment is the year of assessment 2001, that subsection shall apply—

- (a) as if for ‘any of the 9 subsequent years of assessment’ there were substituted ‘any of the 10 subsequent years of assessment’,
- (b) as respects the year of assessment 2001, as if ‘3.7 per cent’ were substituted for ‘5 per cent’, and
- (c) as respects the year of assessment which is the 10th year of assessment subsequent to the year of assessment first mentioned in that subsection, as if ‘1.3 per cent’ were substituted for ‘5 per cent’.”.

Relief for health expenses

22. In section 469(2)—

- (a) in paragraph (a), for “£100” there shall be substituted “£74”,
and
- (b) in paragraph (b), for “£200” (in both places where it occurs) there shall be substituted “£148”.

23. In section 481—

(a) in subsection (6), for “£200” there shall be substituted “£148”,

and

(b) in subsection (7), for “£25,000” there shall be substituted “£18,500”.

Relief for expenditure on significant buildings and gardens

24. In section 482(1)(a)—

(a) in paragraph (ii) of the definition of “qualifying expenditure”, after “£5,000” there shall be inserted “or, where the chargeable period is the year of assessment 2001, £3,700”,

and

(b) in paragraph (i)(II) of the definition of “relevant expenditure”, after “£5,000” there shall be inserted “or, where the chargeable period is the year of assessment 2001, £3,700”.

Business Expansion Scheme: limits on relief

25. In section 490—

(a) in subsection (1)(a), for “£200” there shall be substituted “£148”,

and

(b) in subsection (2), for “£25,000” there shall be substituted “£18,500”.

Business Expansion Scheme: individuals qualifying for seed capital relief

26. In section 494(2)(a)(II), after “£15,000” there shall be inserted “or, in the case of the year of assessment 2001, £11,100”.

Profit Sharing Schemes: excess or unauthorised shares

27. In section 515, in both subsections (1) and (2), for “£10,000” there shall be substituted “£7,400”.

Professional Services Withholding Tax: interpretation

28. In section 520—

(a) in subsection (1)—

(i) for subparagraph (i) of paragraph (a) of the definition of “basis period for a year of assessment” there shall be substituted the following:

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“(i) where 2 basis periods overlap, then, subject to subsection (3), the period common to both shall be deemed for the purposes of this Chapter to fall in the second basis period only,”,

and

(ii) for the definition of “income tax month” there shall be substituted the following:

“‘income tax month’ means—

(a) in relation to a period prior to 6 December 2001, a month beginning on the 6th day of a month and ending on the 5th day of the next month,

(b) the period beginning on 6 December 2001 and ending on 31 December 2001, and

(c) thereafter, a calendar month;”,

and

(b) after subsection (2), there shall be inserted the following:

“(3) Where, by virtue of the application of subsections (2)(a) and (3B) of section 65, a specified person’s basis period for the year of assessment 2002, being a 12 month period ending in the period from 1 January 2002 to 5 April 2002, is also treated as the specified person’s basis period for the year of assessment 2001, that basis period shall be deemed for the purposes of this Chapter to be the basis period for the year of assessment 2001 only.”.

Professional Services Withholding Tax: returns and collection

29. In section 525(1), for “10 days” there shall be substituted “14 days”.

Professional Services Withholding Tax: interim refunds

30. In section 527, after subsection (3) there shall be inserted the following:

“(3A) Where a specified person makes a claim for an interim refund of the whole or part of the appropriate tax referable to the basis period for the year of assessment 2001 or the year of assessment 2002, subsection (3) shall apply as if the reference in that subsection to the amount of tax referred to in subsection (2)(b) were a reference to—

(a) in the case where the claim relates to the basis period for the year of assessment 2001, 74 per cent, and

(b) in the case where the claim relates to the basis period for the year of assessment 2002, 135 per cent,

of the amount of tax referred to in subsection (2)(b).”.

31. In section 530(1)—

(a) for the definition of “income tax month” there shall be substituted the following:

“‘income tax month’ means—

(a) in relation to a period prior to 6 December 2001, a month beginning on the 6th day of a month and ending on the 5th day of the next month,

(b) the period beginning on 6 December 2001 and ending on 31 December 2001, and

(c) thereafter, a calendar month;”

and

(b) in the definition of “qualifying period”, for “the 5th day of April” and “the 6th day of April” there shall be substituted “31 December” and “1 January”, respectively.

Relevant Contracts Tax: returns, payments and repayments

32. In section 531—

(a) in subsection (3A)(a), for “Within 9 days from the end of an income tax month” and “that income tax month” there shall be substituted “Not later than the 14th day of an income tax month” and “the previous income tax month”, respectively,

(b) in subsection (5)(b), for “commencing on the 6th day of April in a year of assessment and ending on the 5th day of the month following the date of the payment or, if the payment was made on or before the 5th day of a month, ending on the 5th day of that month” of “commencing on the 1st day of a year of assessment and ending on the last day of the income tax month in which the payment was made”,

and

(c) in subsection 12(d), for “income tax year” (in both places where it occurs) there shall be substituted “year of assessment”.

Capital Gains Tax: adjustment of allowable expenditure by reference to consumer price index

33. In section 556(1), in the definition of “the consumer price index number relevant to any year of assessment”, for “mid-February” there shall be substituted “mid-November”.

Capital Gains Tax: annual exempt amount

34. In section 601, for “£1,000” (in each place it occurs in subsections (1), (2) and (3)) there shall be substituted “£740”.

Capital Gains Tax: disposal of principal private residence

35. In section 604(12)(c), for “£15,000” there shall be substituted “£11,100”.

Capital Gains Tax: exclusion of certain disposals from taxation regime applying to development land

36. In section 650, for “£15,000” there shall be substituted “£11,100”.

Averaging of farming profits

37. In section 657—

(a) in subsection (5) —

(i) in paragraph (a), for “the 5th day of April” there shall be substituted “31 December”, and

(ii) after paragraph (a) there shall be inserted the following:

“(aa) As respects the year of assessment 2001, this subsection shall apply as if in paragraph (a) ‘74 per cent of the full amount of those profits or gains’ were substituted for ‘the full amount of those profits or gains’.

(ab) For the purposes of paragraph (a), where an individual makes up annual accounts to a date in the period from 1 January 2002 to 5 April 2002, those accounts shall, in addition to being accounts made up to a date in the year of assessment 2002, be treated as accounts made up to a date in the year of assessment 2001.”,

(b) after subsection (8) there shall be inserted the following:

“(8A) Where as respects the year of assessment 2002 an individual duly elects or is deemed to have elected in accordance with subsection (7), subsection (8) shall apply as if the following were substituted for paragraph (b) of that subsection:

‘(b) there shall be made such assessment or assessments, if any, as may be necessary to secure that the amount of the profits or gains from farming on which the individual is charged for each of the years of assessment 1999-2000 and 2000-2001 shall be not less than 135 per cent of the amount on which the individual is charged by virtue of subsection (6) in accordance with subsection (5) for the year of assessment 2001.’.

(8B) Where as respects the year of assessment 2003 an individual duly elects or is deemed to have elected in accordance with subsection (7), subsection (8) shall apply as if the following were substituted for paragraph (b) of that subsection:

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- ‘(b) there shall be made such assessment or assessments, if any, as may be necessary to secure that the amount of the profits or gains from farming on which the individual is charged for the year of assessment 2000-2001 and the year of assessment 2001 shall be—
- (i) in the case of the year of assessment 2000-2001, not less than, and
- (ii) in the case of the year of assessment 2001, not less than 74 per cent of,
- the amount on which the individual is charged by virtue of subsection (6) in accordance with subsection (5) for the year of assessment 2002.’

(8C) Where as respects the year of assessment 2004 an individual duly elects or is deemed to have elected in accordance with subsection (7), subsection (8) shall apply as if the following were substituted for paragraph (b) of that subsection:

- ‘(b) there shall be made such assessment or assessments, if any, as may be necessary to secure that the amount of the profits or gains from farming on which the individual is charged for each of the years of assessment 2001 and 2002 shall be—
- (i) in the case of the year of assessment 2001, not less than 74 per cent of, and
- (ii) in the case of the year of assessment 2002, not less than,
- the amount on which the individual is charged by virtue of subsection (6) in accordance with subsection (5) for the year of assessment 2003.’”,

and

- (c) after subsection (11) there shall be inserted the following:

“(11A) As respects the year of assessment 2001, subsection (11) shall apply as if in that subsection ‘74 per cent of one-third of the amount of such excess’ were substituted for ‘one-third of the amount of such excess’ and, where this subsection applies, the individual may claim that 26 per cent of one-third of the amount of the excess referred to in subsection (11) shall, notwithstanding anything to the contrary in that subsection, be carried forward under section 382 for deduction from or set-off against the profits or gains of the individual from farming for any subsequent year of assessment.”.

Farming: allowances for capital expenditure on the construction of farm buildings, etc., for control of pollution

38. In section 659(1)(c), for “6 April 2003” there shall be substituted “1 January 2004”.

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Returns of share or loan interest by industrial and provident societies

39. In section 700(3)—

(a) for “the 1st day of May” there shall be substituted “31 January”,

and

(b) in paragraph (a), for “£70” there shall be substituted “£52”.

Special investment schemes

40. In section 737(8)(a)(i), for “the 5th day of April” there shall be substituted “31 December”.

Retirement annuities: nature and amount of relief for qualifying premiums

41. In section 787(2A), for “£200,000” there shall be substituted “£148,000”.

Residence of individuals

42. In section 819—

(a) in subsection (1)—

(i) in paragraph (a), for “183 days” there shall be substituted “135 days”, and

(ii) in paragraph (b), for “280 days” there shall be substituted “244 days”,

and

(b) in subsection (2), for “30 days” there shall be substituted “22 days”.

Application of sections 17 and 18(1) and Chapter 1 of Part 3 in case of persons ordinarily resident in the State

43. In section 821(1)(b), for “£3,000” there shall be substituted “£2,220”.

Residence treatment of donors of gifts to the State

44. In section 825(1), in paragraph (a) of the definition of “visits”, for “182 days” there shall be substituted “135 days”.

Reduction in income tax for certain income earned outside the State

45. In section 825A(1), in paragraph (b) of the definition of “qualifying employment” for “13 weeks” there shall be substituted “10 weeks”.

46. In section 838—

(a) in subsection (4)(e), for “the 5th day of April” there shall be substituted “31 December”,

and

(b) in subsection (6)—

(i) in paragraph (a)(i), for “the 5th day of April” there shall be substituted “31 December”,

and

(ii) in paragraph (c), for “the 1st day of November” there shall be substituted “31 October”.

Returns of income

47. In section 879, for subsection (3) there shall be substituted the following:

“(3) The amount of income from any source to be included in a return under this section shall be computed in accordance with the Income Tax Acts; but where under Chapter 3 of Part 4 the profits or gains (or, as respects the year of assessment 2001, 74 per cent of the profits or gains) of a particular 12 month period are to be taken to be the profits or gains of a year of assessment, the computation shall be made by reference to that period.”.

Partnership returns

48. In section 880, after subsection (3) there shall be inserted the following:

“(3A) For the purposes of subsection (3), an account made up for a period of one year to a date falling in the period from 1 January 2002 to 5 April 2002 shall, in addition to being an account made up to a date in the year of assessment 2002, be deemed to be an account made up to a date within the year of assessment 2001.”.

Returns of certain information by third parties

49. In section 894(1), in paragraph (a) of the definition of “specified return date for the chargeable period”, for “the 31st day of January” there shall be substituted “31 October”.

Returns in relation to foreign accounts

50. In section 895(1), in paragraph (a) of the definition of “specified return date for the chargeable period”, for “the 31st day of January” there shall be substituted “31 October”.

Returns of employees' emoluments, etc.

51. In section 897(2)(e), for “£1,500” there shall be substituted “£1,110”.

Due date for payment of income tax other than under self assessment

52. In section 960, for “the 1st day of November” (in both places where it occurs) there shall be substituted “31 October”.

PAYE system

53. In section 983, for the definition of “income tax month” there shall be substituted the following:

“‘income tax month’ means—

- (a) in relation to a period prior to 6 December 2001, a month beginning on the 6th day of a month and ending on the 5th day of the next month,
- (b) the period beginning on 6 December 2001 and ending on 31 December 2001, and
- (c) thereafter, a calendar month;”.

Treatment for tax purposes of certain unpaid remuneration

54. In section 996(1), in paragraph (b)(ii) of the definition of “relevant date”, for “5th day of April” there shall be substituted “31st day of December”.

Restrictions on relief for losses, interest and capital allowances in case of certain partners

55. In section 1013(2C)—

- (a) in paragraph (d)(iii), for “the year of assessment 2001-2002” there shall be substituted “the year of assessment 2002”,
and
- (b) in paragraph (e)(II)—
 - (i) for “6 April 2004” there shall be substituted “1 January 2005”,
and
 - (ii) for “the year of assessment 2004-2005” (in both places where it occurs) there shall be substituted “the year of assessment 2005”.

Assessment of wife in respect of income of both spouses

56. In section 1019, for “the 6th day of July” (in both places where it occurs in subsections (2)(a)(ii) and (5)) there shall be substituted “1 April”.

Special provisions relating to year of marriage

57. In section 1020—

- (a) in subsection (1), for the definition of “income tax month” there shall be substituted the following:

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“‘income tax month’ means—

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- (a) in relation to a period prior to 6 December 2001, a month beginning on the 6th day of a month and ending on the 5th day of the next month,
- (b) the period beginning on 6 December 2001 and ending on 31 December 2001, and
- (c) thereafter, a calendar month;”

and

- (b) in the formula in subsection (3), for “12” there shall be substituted “9”.

Application for separate assessments

58. In section 1023, for “the 6th day of July” (in each place where it occurs in subsections (3) and (4)) there shall be substituted “1 April”.

Capital Gains Tax: assessment of married persons

59. In section 1028, for “the 6th day of July” (in each place where it occurs in subsections (2) and (3)) there shall be substituted “1 April”.

Profit Sharing Schemes: approval of schemes

60. In Schedule 11, in paragraph 3(4), for “£10,000” there shall be substituted “£7,400”.

Application

- 61. (a) *Paragraphs 7, 13, 14, 17(a), 22, 23, 24, 25, 27, 34, 35, 36, 39(b) and 41, subparagraphs (a)(i) and (b) of paragraph 42, and paragraphs 43, 44, 45, 51, 57(b) and 60 shall apply only as respects the year of assessment 2001.*
- (b) *Paragraph 9(a) shall apply where the relevant year (within the meaning of section 128A(3) of the Taxes Consolidation Act, 1997) is the year of assessment 2001 or any subsequent year of assessment.*
- (c) *Paragraphs 11, 16(b), 17(b), 40, 46, 49, 50 and 52 shall apply as respects the year of assessment 2001 and subsequent years of assessment.*
- (d) *Paragraphs 15, 29, 31(b), subparagraphs (a) and (b) of paragraph 32, and paragraph 33 shall apply as on and from 1 January 2002.*
- (e) *Paragraphs 16(a), 18, 56, 58 and 59 shall apply as respects the year of assessment 2002 and subsequent years of assessment.*
- (f) *Paragraph 39(a) shall apply in relation to a return due under section 700(3) of the Taxes Consolidation Act, 1997, in respect of the year of assessment 2001 or any subsequent year of assessment.*
- (g) *Paragraph 42(a)(ii) shall apply only as respects the year of assessment 2001 and the year of assessment 2002.*

SCHEDULE 3

REPEALS AND REVOCATIONS RELATING TO EXCISE LAW

PART 1

Repeals

| Session and Chapter or Number and Year (1) | Short title (2) | Extent of repeal (3) |
|---|--|---|
| 7 & 8 Geo. 4, c.53. | Excise Management Act, 1827. | Sections 3, 11, 19, 20, 21, 22, 23, 29, 30, 31, 33, 35, 37, 38, 39, 40, 41, 42, 43, 65, 67, 68, 69 (in so far as it relates to excise duties), 70, 71, 73, 74, 76, 77, 78, 79, 81, 82, 83, 84, 85, 107, 108, 109, 110 and 111. |
| 9 Geo. 4, c. 44. | Excise Act, 1828. | Sections 1 and 2. |
| 4 & 5 Will. 4, c. 51. | Excise Management Act, 1834. | Sections 5, 6, 7, 8, 9, 11, 12 (in so far as it relates to excise duties), 16, 19, 20, 22, 23, 25, 28 and 30. |
| 4 & 5 Vict., c.20. | Excise Management Act, 1841. | Sections 2, 5, 7 and 31. |
| 28 & 29 Vict., c.96. | Revenue (No. 2) Act, 1865. | Section 26. |
| 30 & 31 Vict., c.90. | Revenue Act, 1867. | Sections 12 and 15. |
| 51 & 52 Vict., c.8. | Customs & Inland Revenue Act, 1888. | Sections 5 and 8. |
| 53 & 54 Vict., c.21. | Inland Revenue Regulations Act, 1890. | Sections 7 and 15. Sections 25, 26, 29, 30, 31 and 35, in so far as they relate to excise duties. |
| 61 & 62 Vict., c.46. | Revenue Act, 1898. | Section 15, in so far as it relates to excise duties. |
| 63 & 64 Vict., c.7. | Finance Act, 1900. | Section 9, in so far as it relates to excise duties. |
| 1 & 2 Geo. 5, c.48. | Finance Act, 1911. | Section 3 in so far as it relates to excise duties. |
| 11 & 12 Geo. 5, c.32. | Finance Act, 1921. | Section 18, in so far as it relates to excise duties. |
| No. 31 of 1929. | Finance Act, 1929. | Section 29. Section 31, in so far as it relates to excise duties. |
| No. 15 of 1933. | Finance Act, 1933. | Section 33, in so far as it relates to excise duties. |
| No. 28 of 1935. | Finance Act, 1935. | Section 29. |

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| Session and Chapter or Number and Year (1) | Short title (2) | Extent of repeal (3) |
|---|--|---|
| No. 15 of 1946. | Finance Act, 1946. | Sections 18 and 23. |
| No. 10 of 1985. | Finance Act, 1985. | Section 39. |
| No. 10 of 1988. | Customs & Excise (Miscellaneous Provisions) Act, 1988. | Section 5, in so far as it relates to excise duties. |
| No. 9 of 1992. | Finance Act, 1992. | Chapter 2 of Part II. |
| No. 28 of 1992. | Finance (No. 2) Act, 1992. | Sections 24, 25, 26 and 27. |
| No. 13 of 1993. | Finance Act, 1993. | Section 76. |
| No. 8 of 1995. | Finance Act, 1995. | Sections 85, 86, 86A, 87, 87A, 87B, 88, 89, 90, 91, 92, 93, 94, 103, 104, 105, 106 and 107. |

PART 2

Revocations

| Number and Year (1) | Citation (2) | Extent of revocation (3) |
|------------------------|--|---|
| S.I. No. 307 of 1975. | Imposition of Duties (No. 221) (Excise Duties) Order, 1975. | Regulations 17 and 18. |
| S.I. No. 394 of 1992. | European Communities (Customs & Excise) Regu- lations, 1992. | Regulations 5, 6, 7, 9, 10, 11 and 12. |

SCHEDULE 4

Section 154.

RATES OF EXCISE DUTY ON TOBACCO PRODUCTS

| Description of Product | Rate of Duty |
|--|--|
| Cigarettes... .. | £81.68 per thousand together with an amount equal to 18.89 per cent of the price at which the cigarettes are sold by retail |
| Cigars | £124.840 per kilogram |
| Fine-cut tobacco for the rolling of cigarettes | £105.347 per kilogram |
| Other smoking tobacco | £86.609 per kilogram |

SCHEDULE 5

AMENDMENT OF ENACTMENTS CONSEQUENT ON CHANGEOVER TO EURO

PART 1

Income tax, corporation tax, capital gains tax, provisions in the Inland Revenue Regulation Act, 1890, and the Taxes Consolidation Act, 1997, applying also to other taxes and duties, and related matters

| Enactment amended (1) | Words or amount to be replaced (2) | Words or amount to be inserted (3) |
|---|--|--|
| Inland Revenue Regulation Act, 1890 (53 & 54 Vict., c.21) (as amended): | | |
| section 10(1) | five hundred pounds | €630 |
| section 10(2) | five hundred pounds | €630 |
| section 11 | one hundred pounds | €125 |
| section 25(2) | one hundred pounds | €125 |
| section 32 | fifty pounds | €65 |
| Taxes Consolidation Act, 1997 (No. 39 of 1997) (as amended): | | |
| section 14(1) | one pound | one euro |
| section 14(1) | one penny | one cent |
| paragraph 6 of Schedule C in section 17(1) | one pound | one euro |
| paragraph 1 of Schedule D in section 18(1) | one pound | one euro |
| paragraph 2 of Schedule E in section 19(1) | one pound | one euro |
| section 110(1) | £10,000,000 | €12,690,000 |
| section 116(3)(a) | £1,500 | €1,905 |
| section 126(4)(b) | £10 | €13 |
| section 133(8)(c) | £170,000,000 | €215,855,473.33 |
| section 133(11)(a) | £250,000,000 | €317,434,519.61 |
| section 133(11)(b) | £170,000,000 | €215,855,473.33 |
| section 152(2) | £10 | €10 |
| section 152(2) | £100 | €125 |
| section 178(7)(a) | £100 | €100 |
| section 189A | £300,000 | €381,000 |
| section 201(1)(a) | £8,000 | €10,160 |
| section 201(1)(a) | £600 | €765 |
| paragraph (a) of the definition of "specified amount" in section 202(1) | £6,000 | €7,620 |
| paragraph (a) of the definition of "specified amount" in section 202(1) | £200 | €255 |
| paragraph (b) of the definition of "specified amount" in section 202(1) | £6,000 | €7,620 |
| paragraph (b) of the definition of "specified amount" in section 202(1) | £500 | €635 |
| paragraph (c) of the definition of "specified amount" in section 202(1) | £8,000 | €10,160 |

| Enactment amended (1) | Words or amount to be replaced (2) | Words or amount to be inserted (3) |
|--|--|--|
| Taxes Consolidation Act, 1997 (No. 39 of 1997) (as amended)— <i>contd.</i> | | |
| paragraph (c) of the definition of “specified amount” in section 202(1) | £600 | €765 |
| section 207(4) | £100 | €125 |
| section 211(1) | £160 | €205 |
| section 211(1) | £1,000 | €1,270 |
| section 211(1) | £52 | €70 |
| section 211(6) | £100 | €125 |
| section 213(2) | £8,000 | €10,160 |
| section 213(2) | £2,000 | €2,540 |
| section 213(4) | £100 | €125 |
| section 236(4)(c) | £500 | €630 |
| section 244(1)(a) | £4,000 | €5,080 |
| section 244(1)(a) | £2,000 | €2,540 |
| section 244(1)(a) | £5,000 | €6,350 |
| section 244(1)(a) | £2,500 | €3,175 |
| section 250(3) | £2,400 | €3,050 |
| section 264(1) | £50,000 | €63,500 |
| section 305(4) | £500 | €630 |
| section 373(2)(a) | £2,500 | €3,174.35 |
| section 373(2)(b) | £3,500 | €4,444.08 |
| section 373(2)(c) | £4,000 | €5,078.95 |
| section 373(2)(d) | £6,000 | €7,618.43 |
| section 373(2)(e) | £7,000 | €8,888.17 |
| section 373(2)(f) | £10,000 | €12,697.38 |
| section 373(2)(g) | £13,000 | €16,506.60 |
| section 373(2)(h) | £14,000 | €17,776.33 |
| section 373(2)(i) | £15,000 | €19,046.07 |
| section 373(2)(j) | £15,500 | €19,680.94 |
| section 373(2)(k) | £16,000 | €20,315.81 |
| section 373(2)(l) | £16,500 | €20,950.68 |
| paragraph (a) of the definition of “relevant amount” in section 376(1) | £14,000 | €17,776.33 |
| paragraph (b) of the definition of “relevant amount” in section 376(1) | £15,000 | €19,046.07 |
| paragraph (c) of the definition of “relevant amount” in section 376(1) | £15,500 | €19,680.94 |
| paragraph (d) of the definition of “relevant amount” in section 376(1) | £16,000 | €20,315.81 |
| paragraph (e) of the definition of “relevant amount” in section 376(1) | £16,500 | €20,950.68 |
| section 404(1)(b)(iii) | £2,000 | €2,540 |
| section 404(6)(c)(ii) | £50,000 | €63,500 |
| section 414(1)(b) | £100 | €100 |
| section 415(1)(b) | £100 | €100 |
| section 438(3) | £15,000 | €19,050 |

| Enactment amended (1) | Words or amount to be replaced (2) | Words or amount to be inserted (3) |
|--|--|--|
| Taxes Consolidation Act, 1997 (No. 39 of 1997) (as amended)— <i>contd.</i> | | |
| section 440(1)(b)(i)(I) | £500 | €635 |
| section 440(1)(b)(i)(II) | £500 | €635 |
| section 441(4)(b)(i)(I) | £500 | €635 |
| section 441(4)(b)(i)(II) | £500 | €635 |
| section 469(2)(a) | £100 | €125 |
| section 469(2)(b) | £200 | €250 |
| section 472A(2) | £3,000 | €3,810 |
| section 472A(2) | £2,000 | €2,540 |
| section 472A(2) | £1,000 | €1,270 |
| section 472A(3)(a) | £1,000 | €1,270 |
| section 472A(3)(a) | £666 | €850 |
| section 472A(3)(a) | £334 | €425 |
| section 472A(3)(b) | £1,000 | €1,270 |
| section 472A(3)(b) | £666 | €850 |
| section 472A(3)(b) | £334 | €425 |
| section 476(1) | £250 | €315 |
| section 476(1) | £1,000 | €1,270 |
| section 477(1)(a) | £150 | €195 |
| section 478(2) | £800 | €1,015.79 |
| section 479(2) | £5,000 | €6,350 |
| section 481(2)(c)(i) | £4,000,000 | €5,080,000 |
| section 481(2)(c)(ii) | £4,000,000 | €5,080,000 |
| section 481(2)(c)(ii) | £5,000,000 | €6,350,000 |
| the formula in section 481(2)(c)(ii) | £100,000 | €127,000 |
| section 481(2)(c)(iii) | £5,000,000 | €6,350,000 |
| section 481(2)(c) | £8,250,000 | €10,480,000 |
| section 481(4)(a) | £8,000,000 | €10,160,000 |
| section 481(4)(b)(i) | £3,000,000 | €3,810,000 |
| section 481(4)(b)(ii) | £3,000,000 | €3,810,000 |
| section 481(4)(b)(ii) | £4,000,000 | €5,080,000 |
| section 481(7) | £25,000 | €31,750 |
| section 481(16) | £500 | €630 |
| section 481(16) | £1,000 | €1,265 |
| paragraph (ii) of the definition of “qualifying expenditure” in section 482(1)(a) | £5,000 | €6,350 |
| paragraph (i)(II) of the definition of “relevant expenditure” in section 482(1)(a) | £5,000 | €6,350 |
| section 482(7)(c) | £500 | €630 |
| section 486B(4) | £10,000,000 | €12,700,000 |
| section 486B(5) | £7,500,000 | €9,525,000 |
| section 486B(11)(i) | £500 | €630 |
| section 486B(11)(i) | £1,000 | €1,265 |
| section 490(1)(a) | £200 | €250 |
| section 490(2) | £25,000 | €31,750 |
| section 491(2) | £100,000 | €127,000 |
| section 491(2) | £500,000 | €635,000 |

| Enactment amended (1) | Words or amount to be replaced (2) | Words or amount to be inserted (3) |
|--|--|--|
| Taxes Consolidation Act, 1997 (No. 39 of 1997) (as amended)— <i>contd.</i> | | |
| section 491(2) | £1,000,000 | €1,270,000 |
| section 491(2) | £250,000 | €317,500 |
| section 491(2) | £400,000 | €508,000 |
| section 491(3) | £100,000 | €127,000 |
| section 491(3) | £500,000 | €635,000 |
| section 491(3) | £1,000,000 | €1,270,000 |
| section 491(3) | £250,000 | €317,500 |
| section 491(3) | £400,000 | €508,000 |
| section 493(8)(a)(i) | £250,000 | €317,500 |
| section 494(2)(a) | £15,000 | €19,050 |
| section 494(5)(a) | £100 | €130 |
| section 494(6)(b)(ii) | £100,000 | €127,000 |
| section 496(5)(c) | £2,000,000 | €2,539,476.16 |
| section 503(6) | £500 | €630 |
| section 503(6) | £1,000 | €1,265 |
| section 513(6) | £10 | €13 |
| section 515(1)(a) | £10,000 | €12,700 |
| section 515(1)(b) | £30,000 | €38,100 |
| section 515(2) | £10,000 | €12,700 |
| section 515(2) | £30,000 | €38,100 |
| section 515(2B) | £30,000 | €38,100 |
| section 531(14)(a) | £1,000 | €1,265 |
| section 531(14)(b) | £1,000 | €1,265 |
| section 531(14)(c) | £1,000 | €1,265 |
| section 598(2)(a)(i) | £375,000 | €476,250 |
| section 598(2)(a)(ii) | £375,000 | €476,250 |
| section 601(1) | £1,000 | €1,270 |
| section 601(2) | £1,000 | €1,270 |
| section 601(3) | £1,000 | €1,270 |
| section 602(2) | £2,000 | €2,540 |
| section 602(3)(a) | £2,000 | €2,540 |
| section 602(4) | £2,000 | €2,540 |
| section 602(6)(b) | £2,000 | €2,540 |
| section 602(6)(c) | £2,000 | €2,540 |
| section 604(12)(c) | £15,000 | €19,050 |
| section 606(1)(a) | £25,000 | €31,740 |
| section 650 | £15,000 | €19,050 |
| section 659(3)(a)(i) | £10,000 | €12,700 |
| section 659(3)(a)(ii) | £15,000 | €19,050 |
| section 659(3B)(a) | £25,000 | €31,750 |
| paragraph (ii)(I) of the definition of “the specified amount” in section 664(1)(a) | £2,000 | €2,539.48 |
| paragraph (ii)(II) of the definition of “the specified amount” in section 664(1)(a) | £2,800 | €3,555.27 |
| paragraph (ii)(III) of the definition of “the specified amount” in section 664(1)(a) | £2,000 | €2,539.48 |

| Enactment amended (1) | Words or amount to be replaced (2) | Words or amount to be inserted (3) |
|--|--|--|
| Taxes Consolidation Act, 1997 (No. 39 of 1997) (as amended)— <i>contd.</i> | | |
| paragraph (ii)(IV)(A) of the definition of “the specified amount” in section 664(1)(a) | £4,000 | €5,078.95 |
| paragraph (ii)(IV)(B) of the definition of “the specified amount” in section 664(1)(a) | £3,000 | €3,809.21 |
| paragraph (ii)(V)(A) of the definition of “the specified amount” in section 664(1)(a) | £6,000 | €7,618.43 |
| paragraph (ii)(V)(B) of the definition of “the specified amount” in section 664(1)(a) | £4,000 | €5,078.95 |
| section 664(1)(b)(i) | £2,800 | €3,555.27 |
| section 664(1)(b)(ii)(I) | £4,000 | €5,078.95 |
| section 664(1)(b)(ii)(II) | £3,000 | €3,809.21 |
| section 664(1)(b)(iii)(I) | £6,000 | €7,618.43 |
| section 664(1)(b)(iii)(II) | £4,000 | €5,078.95 |
| section 700(3) | £70 | €90 |
| section 723(1) | £200,000,000 | €255,000,000 |
| section 723(3)(b) | £50,000 | €63,500 |
| section 723(3)(c) | £50,000 | €63,500 |
| section 737(1) | £200,000,000 | €255,000,000 |
| section 737(3)(a)(ii) | £50,000 | €63,500 |
| section 737(3)(a)(iii) | £50,000 | €63,500 |
| the formula in the definition of “qualifying group expenditure on research and development” in section 766(1)(a) | £25,000 | €31,743.45 |
| paragraph (A) of the definition of “qualifying group expenditure on research and development” in section 766(1)(a) | £150,000 | €190,460.71 |
| section 766(1)(b)(v)(I) | £50,000 | €63,486.90 |
| section 783(6) | £500 | €630 |
| section 784C(2)(b)(ii) | £50,000 | €63,500 |
| section 784C(3)(b) | £50,000 | €63,500 |
| section 784C(4)(a) | £10,000 | €12,700 |
| section 787(2A) | £200,000 | €254,000 |
| section 789(5) | £500 | €630 |
| section 821(1)(b) | £3,000 | €3,810 |
| section 823(3) | £25,000 | €31,750 |
| section 838(1)(a) | £200,000,000 | €255,000,000 |
| section 838(2)(b)(i) | £50,000 | €63,500 |
| section 838(2)(b)(i)(B) | £10,000 | €12,700 |
| section 838(2)(b)(ii) | £50,000 | €63,500 |
| section 838(2)(c) | £50,000 | €63,500 |
| section 839(2)(a)(i) | £25,000 | €31,750 |
| section 839(2)(a)(i) | £50,000 | €63,500 |
| section 839(2)(a)(ii) | £25,000 | €31,750 |
| section 839(2)(a)(ii) | £50,000 | €63,500 |
| section 839(2)(b)(ii)(I) | £25,000 | €31,750 |

| Enactment amended (1) | Words or amount to be replaced (2) | Words or amount to be inserted (3) |
|--|--|--|
| Taxes Consolidation Act, 1997 (No. 39 of 1997) (as amended)— <i>contd.</i> | | |
| section 839(2)(b)(ii)(I) | £50,000 | €63,500 |
| section 839(2)(b)(ii)(II) | £25,000 | €31,750 |
| section 839(2)(b)(ii)(II) | £50,000 | €63,500 |
| section 839(3) | £50,000 | €63,500 |
| section 839(3) | £75,000 | €95,250 |
| section 839(4) | £25,000 | €31,750 |
| section 839(4) | £50,000 | €63,500 |
| section 856(2) | £50 | €60 |
| section 857(3) | £100 | €125 |
| section 877(5)(b) | £5 | €5 |
| section 885(2) | £5 | €7 |
| section 886(5) | £1,200 | €1,520 |
| section 889(7)(b) | £500 | €635 |
| section 889(8) | £1,200 | €1,520 |
| section 890(3) | £500 | €635 |
| section 891(2)(a) | £50 | €65 |
| section 895(4)(a) | £2,000 | €2,535 |
| section 895(4)(b) | £2,000 | €2,535 |
| section 897(2)(e) | £1,500 | €1,905 |
| section 898(3) | £1 | €2 |
| section 900(7) | £1,500 | €1,900 |
| section 902(11) | £1,500 | €1,900 |
| section 903(5) | £1,000 | €1,265 |
| section 904(5) | £1,000 | €1,265 |
| section 904A(8) | £1,000 | €1,265 |
| section 904A(9) | £15,000 | €19,045 |
| section 904A(9) | £2,000 | €2,535 |
| section 904C(7) | £1,000 | €1,265 |
| section 904C(8) | £15,000 | €19,045 |
| section 904C(8) | £2,000 | €2,535 |
| section 904D(7) | £1,000 | €1,265 |
| section 904D(8) | £15,000 | €19,045 |
| section 904D(8) | £2,000 | €2,535 |
| section 905(3) | £1,000 | €1,265 |
| section 906A(10) | £15,000 | €19,045 |
| section 906A(10) | £2,000 | €2,535 |
| section 907(9) | £15,000 | €19,045 |
| section 907(9) | £2,000 | €2,535 |
| section 914(6)(a) | £5,000 | €6,350 |
| section 914(6)(b) | £15,000 | €19,050 |
| section 917A(4) | £2,000 | €2,535 |
| section 917B(5)(b) | £2,000 | €2,535 |
| section 917C(3)(b) | £2,000 | €2,535 |
| section 923(4) | £100 | €125 |
| section 923(4) | £20 | €25 |
| section 932 | £50 | €60 |
| section 939(3) | £750 | €950 |

| Enactment amended (1) | Words or amount to be replaced (2) | Words or amount to be inserted (3) |
|--|--|--|
| Taxes Consolidation Act, 1997 (No. 39 of 1997) (as amended)— <i>contd.</i> | | |
| section 941(3) | £20 | €25 |
| section 942(6)(b) | £10 | €10 |
| paragraph (i) of the definition of “chargeable person” in section 950(1) | £100 | €130 |
| section 953(7)(a)(i) | £10 | €10 |
| section 962(3)(a) | £15,000 | €19,050 |
| section 962(3)(b) | £2,500 | €3,175 |
| section 962(3)(b) | £15,000 | €19,050 |
| section 962(3)(c) | £2,500 | €3,175 |
| section 980(3) | £300,000 | €381,000 |
| section 986(5)(a) | £6 | €8 |
| section 986(5)(a) | £1 | €2 |
| section 986(5)(b) | £6 | €8 |
| section 986(5)(b) | £1 | €2 |
| section 986(5)(b) | £26 | €36 |
| section 986(5)(b) | £4.50 | €9 |
| section 986(6)(b)(i) | £30 | €40 |
| section 987(1) | £1,200 | €1,520 |
| section 987(1A) | £500 | €630 |
| section 987(1A) | £2,000 | €2,535 |
| section 987(2) | £750 | €950 |
| section 991(1) | £5 | €6 |
| section 1003(2)(c)(i) | £75,000 | €95,250 |
| section 1003(2)(c)(ii) | £75,000 | €95,250 |
| section 1003(2)(c)(ii) | £3,000,000 | €3,810,000 |
| section 1021(2) | £20 | €25 |
| section 1052(1) | £750 | €950 |
| section 1052(2) | £1,200 | €1,520 |
| section 1053(1)(i) | £100 | €125 |
| section 1053(2) | £100 | €125 |
| section 1053(2) | £250 | €315 |
| section 1054(2)(a)(i) | £1,000 | €1,265 |
| section 1054(2)(a)(ii) | £500 | €630 |
| section 1054(2)(a)(ii) | £50 | €60 |
| section 1054(2)(b)(i) | £200 | €250 |
| section 1054(2)(b)(ii) | £100 | €125 |
| section 1054(3)(a)(i)(I) | £500 | €630 |
| section 1054(3)(a)(i)(I) | £1,000 | €1,265 |
| section 1054(3)(a)(ii) | £100 | €125 |
| section 1054(3)(a)(ii) | £200 | €250 |
| section 1054(3)(b)(i) | £500 | €630 |
| section 1054(3)(b)(i) | £1,000 | €1,265 |
| section 1054(3)(b)(ii) | £100 | €125 |
| section 1054(3)(b)(ii) | £200 | €250 |
| section 1055 | £500 | €630 |
| section 1056(3)(a)(i) | £1,200 | €1,520 |

| Enactment amended (1) | Words or amount to be replaced (2) | Words or amount to be inserted (3) |
|--|--|--|
| Taxes Consolidation Act, 1997 (No. 39 of 1997) (as amended)— <i>contd.</i> | | |
| section 1056(3)(a)(ii) | £1,200 | €1,520 |
| section 1056(3)(b)(i) | £5,000 | €6,345 |
| section 1056(3)(b)(ii) | £5,000 | €6,345 |
| section 1056(3)(b)(ii) | £10,000 | €12,695 |
| section 1056(3)(b)(iii) | £10,000 | €12,695 |
| section 1056(3)(b)(iii) | £25,000 | €31,740 |
| section 1056(3)(b)(iv) | £25,000 | €31,740 |
| section 1056(3)(b)(iv) | £100,000 | €126,970 |
| section 1056(3)(b)(v) | £100,000 | €126,970 |
| section 1057(1) | £100 | €125 |
| section 1058(1) | £50 | €60 |
| section 1071(1)(a) | £500 | €630 |
| section 1071(1)(a) | £50 | €60 |
| section 1071(1)(b) | £100 | €125 |
| section 1071(2) | £1,000 | €1,265 |
| section 1071(2) | £200 | €250 |
| section 1072(1) | £500 | €630 |
| section 1072(1) | £1,000 | €1,265 |
| section 1072(1) | £100 | €125 |
| section 1072(1) | £200 | €250 |
| section 1073(1)(a) | £500 | €630 |
| section 1073(1)(a) | £50 | €60 |
| section 1073(1)(b) | £100 | €125 |
| section 1074(a) | £500 | €630 |
| section 1074(a) | £50 | €60 |
| section 1074(b) | £100 | €125 |
| section 1075(1) | £100 | €125 |
| section 1075(1) | £10 | €10 |
| section 1075(2) | £100 | €125 |
| section 1075(2) | £250 | €315 |
| section 1075(3)(a) | £500 | €630 |
| section 1075(3)(a) | £50 | €60 |
| section 1075(3)(b) | £100 | €125 |
| section 1075(4)(a) | £500 | €630 |
| section 1075(4)(a) | £1,000 | €1,265 |
| section 1075(4)(b) | £100 | €125 |
| section 1075(4)(b) | £200 | €250 |
| section 1078(3)(b) | £100,000 | €126,970 |
| section 1079(7)(a) | £1,000 | €1,265 |
| section 1079(7)(b) | £5,000 | €6,345 |
| section 1080(2) | £1 | €2 |
| section 1084(2)(a)(i) | £10,000 | €12,695 |
| section 1084(2)(a)(ii) | £50,000 | €63,485 |
| section 1085(3)(a) | £125,000 | €158,715 |
| section 1085(3)(b) | £50,000 | €63,485 |
| section 1085(4)(b)(i) | £25,000 | €31,740 |
| section 1085(4)(b)(ii) | £10,000 | €12,695 |

| Enactment amended (1) | Words or amount to be replaced (2) | Words or amount to be inserted (3) |
|--|--|--|
| Taxes Consolidation Act, 1997 (No. 39 of 1997) (as amended)— <i>contd.</i> | | |
| section 1086(4)(c) | £10,000 | €12,700 |
| section 1091(3) | £10 | €10 |
| section 1091(3) | £100 | €125 |
| Schedule 2, paragraph 10 | £2.50 | €3.50 |
| Schedule 2, paragraph 19 | £0.675 | €0.675 |
| Schedule 2, paragraph 19 | £1,000 | €1,000 |
| Schedule 2, paragraph 27 | £0.675 | €0.675 |
| Schedule 2, paragraph 27 | £1,000 | €1,000 |
| Schedule 3, paragraph 8 | £4,000 | €5,080 |
| Schedule 3, paragraph 8 | £4,000 | €5,080 |
| Schedule 11, paragraph 3(4) | £10,000 | €12,700 |
| Schedule 11, paragraph 3(4) | £30,000 | €38,100 |
| Schedule 12A, paragraph 25 (2)(a) | £250 | €320 |
| Schedule 12A, paragraph 25 (2)(b) | £10 | €12 |
| Schedule 32, paragraph 22(1) | £8,000,000 | €10,157,904.63 |
| Schedule 32, paragraph 22(1) | £6,000,000 | €7,618,428.47 |
| Schedule 32, paragraph 22(1) | £6,000,000 | €7,618,428.47 |
| Schedule 32, paragraph 22(6) | £3,000,000 | €3,809,214.24 |
| Schedule 32, paragraph 22(6) | £2,000,000 | €2,539,476.16 |
| Schedule 32, paragraph 22(7) | £3,000,000 | €3,809,214.24 |
| Schedule 32, paragraph 22(7) | £2,000,000 | €2,539,476.16 |

PART 2

Customs and related matters

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|---|--|--|
| Customs Consolidation Act, 1876 (39 & 40 Vict. c.36) (as amended): | | |
| section 46 | twenty pounds | €25 |
| section 47 | one hundred pounds | €125 |
| section 47 | twenty pounds | €25 |
| section 49 | twenty pounds | €25 |
| section 51 | one hundred pounds | €125 |
| section 52 | one hundred pounds | €125 |
| section 53 | one hundred pounds | €125 |
| section 67 | one hundred pounds | €125 |
| section 72 | twenty pounds | €25 |
| section 81 | five pounds | €5 |
| section 84 | one hundred pounds | €125 |
| section 101 | one hundred pounds | €125 |
| section 106 | one hundred pounds | €125 |
| section 108 | two hundred pounds | €250 |
| section 112 | five pounds | €5 |
| section 114 | twenty pounds | €25 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Customs Consolidation Act, 1876 (39 & 40 Vict. c.36) (as amended)— <i>contd.</i> | | |
| section 126 | one hundred pounds | €125 |
| section 130 | five pounds | €5 |
| section 130 | one hundred pounds | €125 |
| section 132 | one hundred pounds | €125 |
| section 134 | five pounds | €5 |
| section 135 | twenty pounds | €25 |
| section 136 | twenty pounds | €25 |
| section 136 | one hundred pounds | €125 |
| section 139 | one hundred pounds | €125 |
| section 142 | one hundred pounds | €125 |
| section 145 | twenty pounds | €25 |
| section 146 | twenty pounds | €25 |
| section 147 | twenty pounds | €25 |
| section 168 | five hundred pounds | €630 |
| section 172 | five hundred pounds | €630 |
| section 179 | fifty pounds | €60 |
| section 179 | one hundred pounds | €125 |
| section 181 | twenty pounds | €25 |
| section 185 | ten pounds | €10 |
| section 185 | one hundred pounds | €125 |
| section 190 | one hundred pounds | €125 |
| section 195 | ten pounds | €10 |
| section 203 | twenty pounds | €25 |
| section 203 | one hundred pounds | €125 |
| section 206 | twenty pounds | €25 |
| section 217 | five hundred pounds | €630 |
| section 228 | twenty pounds | €25 |
| section 234 | one hundred pounds | €125 |
| section 236 | one hundred pounds | €125 |
| section 267 | two pence | €0.01 |
| section 267 | one shilling | €0.05 |
| Customs and Inland Revenue Act, 1878 (41 & 42 Vict. c. 15): | | |
| section 4 | twenty pounds | €25 |
| section 6 | one hundred pounds | €125 |
| Customs and Inland Revenue Act, 1879 (42 & 43 Vict. c. 21): | | |
| section 7 | one hundred pounds | €125 |
| section 8 | one hundred pounds | €125 |
| section 9 | twenty pounds | €25 |
| section 10 | one hundred pounds | €125 |
| section 10 | five hundred pounds | €630 |
| Customs and Inland Revenue Act, 1881 (44 & 45 Vict. c. 12) (as amended): | | |
| section 10 | fifty pounds | €60 |
| section 11 | five pounds | €5 |
| section 12(1) | £1,000 | €1,265 |
| section 12(2) | £1,000 | €1,265 |
| section 12(3) | £1,000 | €1,265 |
| section 12(4) | £1,000 | €1,265 |
| section 12(5) | £1,000 | €1,265 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Revenue Act, 1884 (47 & 48 Vict., c. 62): section 2 section 3 | twenty pounds five pounds | €25 €5 |
| Customs and Inland Revenue Act, 1888 (50 & 51 Vict. c. 8): section 5(2) | fifty pounds | €60 |
| Finance Act, 1936 (No. 31 of 1936): section 20(4) | fifty pounds | €60 |
| Finance Act, 1938 (No. 25 of 1938): section 24 | £1,000 | €1,265 |
| Customs (Amendment) Act, 1942 (No. 21 of 1942): section 1 | one hundred pounds | €125 |
| Customs-Free Airport Act, 1947 (No. 5 of 1947) (as amended): section 6 (3) section 9 (6) section 10 (3) section 11(4) section 12(2) | one hundred pounds one hundred pounds one hundred pounds one hundred pounds £1,000 | €125 €125 €125 €125 €1,265 |
| Finance Act, 1950 (No. 18 of 1950) (as amended): section 9(2) | £1,000 | €1,265 |
| Customs Act, 1956 (No. 7 of 1956) (as amended): section 3 section 4(2) | one hundred pounds fifty pounds | €125 €60 |
| Customs-Free Airport (Amendment) Act, 1958 (No. 29 of 1958): section 4 | fifty pounds | €60 |
| Finance Act, 1963 (No. 23 of 1963) (as amended): section 29(2) | one hundred pounds | €125 |
| Finance Act, 1971 (No. 23 of 1971) (as amended): section 29(3) | £100 | €125 |
| Finance Act, 1974 (No. 27 of 1974): section 76(1) | 50 pence | €0.50 |
| Free Ports Act, 1986 (No. 6 of 1986): section 10(5) section 12 | £500 £500 | €630 €630 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|---|--|--|
| Customs and Excise (Miscellaneous Provisions) Act, 1988 (No. 10 of 1988): | | |
| section 2 | £500 | €630 |
| section 11(9) | £1,000 | €1,265 |
| section 11(8)(b) | £1,000 | €1,265 |
| section 12(3) | £1,000 | €1,265 |
| section 13(2) | £1,000 | €1,265 |
| Finance Act, 1997 (No. 22 of 1997): | | |
| section 89 | £10,000 | €12,695 |
| European Communities (Customs & Excise) Regulations, 1992 (S.I. No. 394 of 1992): | | |
| Regulation 4(7) | £1,000 | €1,265 |
| European Communities (Community Transit) Regulations, 1992 (S.I. No. 433 of 1992): | | |
| Regulation 5(a) | £1,000 | €1,265 |
| Regulation 5(b) | £1,000 | €1,265 |
| Regulation 6 | £1,000 | €1,265 |
| European Communities (Counterfeit and Pirated Goods) Regulations, 1996 (S.I. No. 48 of 1996): | | |
| Regulation 4(2) | £400 | €505 |
| Regulation 10(1) | £1,000 | €1,265 |
| Regulation 10(2) | £1,000 | €1,265 |
| Regulation 11 | £1,000 | €1,265 |

PART 3

Excise duties and related matters

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|---|--|--|
| Illicit Distillation (Ireland) Act, 1831 (1 & 2 Will. 4, c. 55) (as amended): | | |
| section 10 | £1,000 | €1,265 |
| section 11 | £1,000 | €1,265 |
| section 12 | £1,000 | €1,265 |
| section 13 | £1,000 | €1,265 |
| section 14 | £1,000 | €1,265 |
| section 16 | £1,000 | €1,265 |
| section 17 | £1,000 | €1,265 |
| section 19 | £1,000 | €1,265 |
| section 22 | £1,000 | €1,265 |
| section 23 | £1,000 | €1,265 |
| section 24 | £1,000 | €1,265 |
| section 25 | £1,000 | €1,265 |
| section 27 | £1,000 | €1,265 |
| section 28 | £1,000 | €1,265 |
| section 30 | £1,000 | €1,265 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|---|--|--|
| Illicit Distillation (Ireland) Act, 1831 (1 & 2 Will. 4, c. 55) (as amended)— <i>contd.</i> | | |
| section 36 | twenty pounds | €25 |
| section 36 | ten pounds | €12.50 |
| section 42 | two pounds | €2 |
| section 42 | three pounds | €3 |
| section 42 | four pounds | €5 |
| section 42 | six pounds | €7 |
| section 42 | twelve pounds | €15 |
| section 42 | fifteen pounds | €19 |
| section 42 | eighteen pounds | €22 |
| section 44 | one hundred pounds | €125 |
| Spirits (Ireland) Act, 1854 (17 & 18 Vict., c. 89) (as amended): | | |
| section 2 | four pounds | €5 |
| section 2 | ten pounds | €12 |
| section 2 | twenty pounds | €25 |
| section 4 | five shillings | €0.30 |
| section 4 | ten shillings | €0.60 |
| section 4 | twenty shillings | €1 |
| section 5 | twenty shillings | €1 |
| section 5 | four pounds | €5 |
| section 6 | forty shillings | €2 |
| section 6 | eighty shillings | €5 |
| section 6 | ten pounds | €12 |
| section 6 | twenty pounds | €25 |
| Spirits Act, 1880 (43 & 44 Vict., c. 24) (as amended): | | |
| section 5(2) | five hundred pounds | €630 |
| section 6 | five hundred pounds | €630 |
| section 7(1) | five hundred pounds | €630 |
| section 7(2) | one hundred pounds | €125 |
| section 8(1) | ten pounds | €12 |
| section 9(3) | fifteen pounds | €19 |
| section 10(2) | five hundred pounds | €630 |
| section 11(3) | two hundred pounds | €250 |
| section 14(2)(a) | two hundred pounds | €250 |
| section 14(2)(b) | two hundred pounds | €250 |
| section 14(2)(b) | twenty pounds | €25 |
| section 14(2)(c) | two hundred pounds | €250 |
| section 14(2)(d) | fifty pounds | €60 |
| section 14(2)(f) | two hundred pounds | €250 |
| section 14(2)(f) | twenty shillings | €1 |
| section 15(3) | two hundred pounds | €250 |
| section 17 | two hundred pounds | €250 |
| section 18(b) | five hundred pounds | €630 |
| section 19(5) | two hundred pounds | €250 |
| section 22(2) | two hundred pounds | €250 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Spirits Act, 1880 (43 & 44 Vict., c. 24) (as amended)— <i>contd.</i> | | |
| section 23(5) | fifty pounds | €60 |
| section 24 | fifty pounds | €60 |
| section 25(7) | five hundred pounds | €630 |
| section 26(2) | two hundred pounds | €250 |
| section 27 | fifty pounds | €60 |
| section 28(3) | two hundred pounds | €250 |
| section 29 | two hundred pounds | €250 |
| section 30(d) | two hundred pounds | €250 |
| section 31 | two hundred pounds | €250 |
| section 33(5) | two hundred pounds | €250 |
| section 35(2) | two hundred pounds | €250 |
| section 36 | two hundred pounds | €250 |
| section 36 | six pence | €0.03 |
| section 38(11) | two hundred pounds | €250 |
| section 39(d) | two hundred pounds | €250 |
| section 40(3) | two hundred pounds | €250 |
| section 40(4) | two hundred pounds | €250 |
| section 40(4) | fifty pence | €0.60 |
| section 41(2) | two hundred pounds | €250 |
| section 43(10) | two hundred pounds | €250 |
| section 43(11) | twenty shillings | €1 |
| section 43(12) | fifty pounds | €60 |
| section 44(2) | twenty shillings | €1 |
| section 47(2) | twenty pounds | €25 |
| section 51 | fifty pounds | €60 |
| section 58(9) | two hundred pounds | €250 |
| section 60 | five pounds | €6 |
| section 64(3) | fifty pounds | €60 |
| section 65(4) | twenty shillings | €1 |
| section 84(d) | two hundred pounds | €250 |
| section 87(2) | five hundred pounds | €630 |
| section 88(3) | two hundred pounds | €250 |
| section 89(3) | five hundred pounds | €630 |
| section 89(3) | twenty shillings | €1 |
| section 90(3) | two hundred pounds | €250 |
| section 91(2) | two hundred pounds | €250 |
| section 91(3) | one hundred pounds | €125 |
| section 91(4) | fifty pounds | €60 |
| section 92 | five hundred pounds | €630 |
| section 93(2) | fifty pounds | €60 |
| section 94(3) | twenty shillings | €1 |
| section 94(4) | twenty shillings | €1 |
| section 98(2) | fifty pounds | €60 |
| section 99(2) | fifty pounds | €60 |
| section 101(3) | two hundred pounds | €250 |
| section 102(4) | fifty pounds | €60 |
| section 103(2) | twenty shillings | €1 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Spirits Act, 1880 (43 & 44 Vict., c. 24) (as amended)— <i>contd.</i> | | |
| section 105(8) | one hundred pounds | €125 |
| section 107(1) | five hundred pounds | €630 |
| section 109(1) | one hundred pounds | €125 |
| section 110(1) | five hundred pounds | €630 |
| section 110(2) | five hundred pounds | €630 |
| section 111(2) | fifty pounds | €60 |
| section 113 | one hundred pounds | €125 |
| section 126(1) | fifty pounds | €60 |
| section 127(2) | fifty pounds | €60 |
| section 128(1) | fifty pounds | €60 |
| section 129 | one hundred pounds | €125 |
| section 130(1) | one hundred pounds | €125 |
| section 131 | two hundred pounds | €250 |
| section 135(5) | one hundred pounds | €125 |
| section 136(3) | one hundred pounds | €125 |
| section 136(5) | five hundred pounds | €630 |
| section 137(2) | two hundred pounds | €250 |
| section 138 | one hundred pounds | €125 |
| section 140(3) | two hundred pounds | €250 |
| section 142 | fifty pounds | €60 |
| section 143(3) | two hundred pounds | €250 |
| section 144(1) | one hundred pounds | €125 |
| section 145(3) | one hundred pounds | €125 |
| section 145(4) | ten pounds | €12 |
| section 146(1) | one hundred pounds | €125 |
| section 146(2) | twenty five pounds | €31 |
| section 146(2) | six pounds | €7 |
| section 147 | one hundred pounds | €125 |
| section 148 | one hundred pounds | €125 |
| section 150 | five hundred pounds | €630 |
| section 152 | two hundred pounds | €250 |
| section 153 | twenty pounds | €25 |
| Inland Revenue Act, 1880 (43 & 44 Vict., c. 20) (as amended): | | |
| section 21(4) | one hundred pounds | €125 |
| section 29(2) | one hundred pounds | €125 |
| section 30(3) | one hundred pounds | €125 |
| Revenue Act, 1889 (52 & 53 Vict., c. 42) (as amended): | | |
| section 27(3) | fifty pounds | €60 |
| Finance Act, 1901 (1 Edw. 7, c. 7) (as amended): | | |
| section 8 | fifty pounds | €60 |
| Finance Act, 1902 (2 Edw. 7, c. 7) (as amended): | | |
| section 8(3) | fifty pounds | €60 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Revenue Act, 1906 (6 Edw. 7, c. 20) (as amended): | | |
| section 2(2) | fifty pounds | €60 |
| section 2(3) | fifty pounds | €60 |
| section 3(3) | fifty pounds | €60 |
| section 7(2) | fifty pounds | €60 |
| Finance (1909-1910) Act, 1910 (10 Edw. 7, c. 8): | | |
| section 50(1) | five hundred pounds | €630 |
| section 50(2) | £500 | €630 |
| section 50(3) | £1,000 | €1,265 |
| section 50(4) | fifty pounds | €60 |
| Finance Act, 1911 (1 & 2 Geo. 5, c. 48) (as amended): | | |
| section 10 | fifty pounds | €60 |
| Finance Act, 1915 (5 & 6 Geo. 5, c. 26) (as amended): | | |
| section 8(3) | one hundred pounds | €125 |
| Finance Act, 1921 (11 & 12 Geo. 5, c. 32) (as amended): | | |
| section 14(3) | two hundred pounds | €250 |
| section 16(2) | one hundred pounds | €125 |
| Finance Act, 1926 (No. 35 of 1926) (as amended): | | |
| section 26(2) | £500 | €630 |
| section 24(4) | £1,500 | €1,900 |
| section 25(2) | £1,500 | €1,900 |
| Finance Act, 1929 (No. 32 of 1929): | | |
| section 32 | five hundred pounds | €630 |
| Betting Act, 1931 (No. 27 of 1931) (as amended): | | |
| section 2(2) | £1,500 | €1,900 |
| section 11(1)(m) | fifteen pounds | €19 |
| section 11(1)(m) | ten pounds | €12 |
| section 11(1)(m) | five pounds | €6 |
| section 15(4) | ten pounds | €12 |
| section 17(4) | twenty pounds | €25 |
| section 19(5) | one hundred pounds | €125 |
| section 20(6) | one hundred pounds | €125 |
| section 21(2) | fifty pounds | €60 |
| section 22(1) | one shilling | €0.06 |
| section 22(2) | twenty pounds | €25 |
| section 23(3) | one hundred pounds | €125 |
| section 24(2) | ten pounds | €12 |
| section 25(4) | twenty pounds | €25 |
| section 26(3) | twenty pounds | €25 |
| section 29(2) | fifty pounds | €60 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Betting Act, 1931 (No. 27 of 1931) (as amended)— <i>contd.</i> | | |
| section 29(2) | one hundred pounds | €125 |
| section 30(1) | five pounds | €6 |
| section 31(1) | five pounds | €6 |
| section 31(2) | five pounds | €6 |
| section 32(3) | twenty five pounds | €31 |
| section 32(3) | one hundred pounds | €125 |
| section 33(2) | one hundred pounds | €125 |
| Finance Act, 1939 (No. 18 of 1939): | | |
| section 18(5) | £500 | €630 |
| Finance Act, 1940 (No. 14 of 1940) (as amended): | | |
| section 10(5) | five hundred pounds | €630 |
| section 10(7) | five hundred pounds | €630 |
| section 10(8) | twenty pounds | €25 |
| Auctioneers and House Agents Act, 1947 (No. 10 of 1947) (as amended): | | |
| section 6(3) | £500 | €630 |
| section 7(3) | £500 | €630 |
| Immature Spirits (Restriction) Act, 1947 (No. 12 of 1947) (as amended): | | |
| section 2(6) | one hundred pounds | €125 |
| Finance Act, 1966 (No. 17 of 1966) (as amended): | | |
| section 15(3) | one hundred pounds | €125 |
| Finance Act, 1975 (No. 6 of 1975) (as amended): | | |
| section 43(2)(a) | £5 | €7 |
| section 43(5) | £1,000 | €1,265 |
| section 43(7)(aa)(i)(A) | £25 | €31 |
| section 43(7)(aa)(i)(B) | £50 | €60 |
| section 43(7)(aa)(i)(C) | £75 | €95 |
| section 43(7)(aa)(i)(D) | £100 | €125 |
| section 43(10)(c) | £100 | €125 |
| Finance (Excise Duty on Tobacco Products) Act, 1977 (No. 32 of 1977) (as amended): | | |
| section 6(5) | £500 | €630 |
| section 7(3)(c) | £50 | €60 |
| section 10(1)(a) | £150 | €190 |
| section 10(5) | £1,500 | €1,900 |
| section 10A(3)(a) | £1,500 | €1,900 |
| section 10A(3)(b) | £10,000 | €12,695 |
| section 11 | £1,500 | €1,900 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|---|--|--|
| Finance Act, 1980 (No. 14 of 1980) (as amended): | | |
| section 74(1)(a) | £100 | €125 |
| section 74(1)(b) | £200 | €250 |
| section 74(1)(c) | £300 | €380 |
| section 74(1)(d) | £400 | €505 |
| section 78(2) | £20 | €25 |
| section 78(2) | £125 | €155 |
| section 78(3) | £90 | €110 |
| section 78(4) | £90 | €110 |
| section 78(5) | £90 | €110 |
| Finance Act, 1984 (No. 9 of 1984) (as amended): | | |
| section 76(5) | £100 | €125 |
| section 76(6)(c) | £500 | €630 |
| section 76(8)(b) | £1,500 | €1,900 |
| section 76(9) | £1,000 | €1,265 |
| Finance Act, 1988 (No. 12 of 1988) (as amended): | | |
| section 57(3)(a) | £1,000 | €1,265 |
| section 57(3)(b) | £10,000 | €12,695 |
| Intoxicating Liquor Act, 1988 (No. 16 of 1988): | | |
| section 9 | £3,000 | €3,805 |
| Finance Act, 1989 (No. 10 of 1989) (as amended): | | |
| section 42(3) | £1,500 | €1,900 |
| Finance Act, 1992 (No. 9 of 1992) (as amended): | | |
| section 91(2)(b) | £1,000 | €1,265 |
| section 93(5) | £1,000 | €1,265 |
| section 94(2) | £1,000 | €1,265 |
| section 96(4) | £1,000 | €1,265 |
| section 97(1) | £1,000 | €1,265 |
| section 97(3)(a) | £1,000 | €1,265 |
| section 97(3)(b) | £10,000 | €12,695 |
| section 99(3) | £1,000 | €1,265 |
| section 120(2)(d)(ii) | £5 | €7 |
| section 123(a) | £100 | €125 |
| section 123(b) | £30 | €38 |
| section 123(c) | £60 | €75 |
| section 126(1) | £100 | €125 |
| section 126(2) | £1,000 | €1,265 |
| section 128(2) | £1,000 | €1,265 |
| section 132(3)(a) | £250 | €315 |
| section 132(3)(aa) | £250 | €315 |
| section 132(3)(b) | £250 | €315 |
| section 132(3)(c) | £100 | €125 |
| section 132(3)(d) | £40 | €50 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Finance Act, 1992 (No. 9 of 1992) (as amended)— <i>contd.</i> | | |
| section 132(3)(f)(i) | £2 | €2 |
| section 132(3)(f)(ii) | £2 | €2 |
| section 132(3)(f)(ii) | £1 | €1 |
| section 139(2) | £1,000 | €1,265 |
| section 139(4) | £1,000 | €1,265 |
| section 139(5)(a) | £1,000 | €1,265 |
| section 139(5)(b) | £10,000 | €12,695 |
| Table to section 155(2) | £150,000 | €190,500 |
| Table to section 155(2) | £200 | €250 |
| Table to section 155(2) | £300,000 | €381,000 |
| Table to section 155(2) | £400 | €505 |
| Table to section 155(2) | £500,000 | €635,000 |
| Table to section 155(2) | £900 | €1,140 |
| Table to section 155(2) | £750,000 | €952,500 |
| Table to section 155(2) | £1,400 | €1,775 |
| Table to section 155(2) | £1,000,000 | €1,270,000 |
| Table to section 155(2) | £2,000 | €2,535 |
| Table to section 155(2) | £3,000 | €3,805 |
| section 155(2)(b)(i) | £200 | €250 |
| section 155(2)(b)(ii) | £200 | €250 |
| section 155(2)(b)(iia) | £200 | €250 |
| section 155(2)(b)(iib) | £200 | €250 |
| section 155(2)(b)(iic) | £200 | €250 |
| section 155(2)(b)(iid) | £200 | €250 |
| section 155(2)(b)(iii) proviso I | £200 | €250 |
| section 155(2)(b)(iii) proviso II | £200 | €250 |
| section 155(4) | £1,000 | €1,265 |
| section 159(1) | £60 | €75 |
| section 159(2) | £10 | €12 |
| section 161 | £400 | €505 |
| Part I of the Sixth Schedule | £200 | €250 |
| Part I of the Sixth Schedule | £40 | €50 |
| Part II of the Sixth Schedule | £30 | €38 |
| Part II of the Sixth Schedule | £5 | €6 |
| Part II of the Sixth Schedule | £20 | €25 |
| Part III of the Sixth Schedule | £125 | €155 |
| Part III of the Sixth Schedule | £250 | €315 |
| Part III of the Sixth Schedule | £375 | €475 |
| Part III of the Sixth Schedule | £500 | €630 |
| Part IV of the Sixth Schedule | £150 | €190 |
| Part IV of the Sixth Schedule | £10 | €12 |
| Part IV of the Sixth Schedule | £200 | €250 |
| Part IV of the Sixth Schedule | £100 | €125 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|---|--|--|
| Finance Act, 1994 (No. 13 of 1994) (as amended): | | |
| section 80 | £15.65 | €19.87 |
| Fourth Schedule | £35.03 | €44.47 |
| Fourth Schedule | £151.59 | €192.47 |
| Fourth Schedule | £215.01 | €273.00 |
| Fourth Schedule | £311.97 | €396.12 |
| Fourth Schedule | £430.02 | €546.01 |
| Fifth Schedule | £71.66 | €90.98 |
| Fifth Schedule | £215.01 | €273.00 |
| Fifth Schedule | £311.97 | €396.12 |
| Fifth Schedule | £430.02 | €546.01 |
| Finance Act, 1995 (No. 8 of 1995) (as amended): | | |
| Section 111 | £200 | €250 |
| Finance Act, 1996 (No. 9 of 1996) (as amended): | | |
| Second Schedule | £21.75 | €27.61 |
| Second Schedule | £15.65 | €19.87 |
| Finance Act, 1998 (No. 3 of 1998): | | |
| section 86 | £300 | €380 |
| Finance Act, 1999 (No. 2 of 1999) (as amended): | | |
| section 98(1) | £4.40 | €5.58 |
| section 99(1) | £17.90 | €22.72 |
| section 101(8) | £200 | €250 |
| section 102(2) | £1,500 | €1,900 |
| section 102(4)(a) | £1,500 | €1,900 |
| section 102(4)(b) | £10,000 | €12,695 |
| Schedule 2 | £361.36 | €458.83 |
| Schedule 2 | £274.44 | €348.46 |
| Schedule 2 | £357.22 | €453.57 |
| Schedule 2 | £180.68 | €229.41 |
| Schedule 2 | £196.14 | €249.04 |
| Schedule 2 | £256.14 | €325.23 |
| Schedule 2 | £25.00 | €31.74 |
| Schedule 2 | £10.60 | €13.45 |
| Schedule 2 | £37.30 | €47.36 |
| Schedule 2 | £41.75 | €53.01 |
| Schedule 2 | £14.30 | €18.15 |
| Schedule 2 | £196.14 | €249.04 |
| Schedule 2 | £37.30 | €47.36 |
| Finance Act, 2000 (No. 3 of 2000): | | |
| section 105 | £200 | €250 |
| Intoxicating Liquor Act, 2000 (No. 17 of 2000): | | |
| section 20(4)(a) | £2,500 | €3,170 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| <i>Finance Act, 2001:</i> | | |
| <i>section 119(3)(a)</i> | £1,500 | €1,900 |
| <i>section 119(3)(b)</i> | £10,000 | €12,695 |
| <i>section 124</i> | £1,500 | €1,900 |
| <i>section 128(1)</i> | £5,000 | €6,350 |
| <i>section 156(2)(a)</i> | £361.36 | €458.83 |
| <i>section 156(2)(a)</i> | £274.44 | €348.46 |
| <i>section 156(2)(a)</i> | £357.22 | €453.57 |
| <i>section 156(2)(a)</i> | £180.68 | €229.41 |
| <i>section 156(2)(a)</i> | £196.14 | €249.04 |
| <i>section 156(2)(a)</i> | £256.14 | €325.23 |
| <i>section 156(2)(a)</i> | £25.00 | €31.74 |
| <i>section 156(2)(a)</i> | £10.60 | €13.45 |
| <i>section 156(2)(a)</i> | £37.30 | €47.36 |
| <i>section 156(2)(a)</i> | £41.75 | €53.01 |
| <i>section 156(2)(a)</i> | £14.30 | €18.15 |
| <i>section 156(2)(a)</i> | £196.14 | €249.04 |
| <i>section 156(2)(a)</i> | £37.30 | €47.36 |
| <i>section 171</i> | £200 | €250 |
| <i>Schedule 4</i> | £81.68 | €103.71 |
| <i>Schedule 4</i> | £124.840 | €158.514 |
| <i>Schedule 4</i> | £105.347 | €133.763 |
| <i>Schedule 4</i> | £86.609 | €109.970 |
| European Communities (Customs and Excise) Regulations, 1992 (S.I. No. 394 of 1992): | | |
| Regulation 5(6) | £1,000 | €1,265 |
| Regulation 20(4) | £1,000 | €1,265 |
| Vehicle Registration and Taxation (No. 2) Regulations, 1992 (S.I. No. 437 of 1992): | | |
| Regulation 6(2) | £250 | €315 |
| Disabled Drivers and Disabled Passengers (Tax Concessions) Regulations, 1994 (S.I. No. 353 of 1994): | | |
| Regulation 9 | £7,500 | €9,525 |
| Regulation 11 | £12,500 | €15,875 |
| Regulation 13 | £12,500 | €15,875 |

Value-Added Tax and related matters

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|---|--|--|
| Value-Added Tax Act, 1972 (No. 22 of 1972) (as amended): | | |
| section 3(6)(d)(A) | £27,565 | €35,000 |
| section 4A(4) | £X | €X |
| section 8(1A)(b) | £32,000 | €41,000 |
| section 8(3)(a)(i) | £20,000 | €25,500 |
| section 8(3)(a)(ia) | £40,000 | €51,000 |
| section 8(3)(a)(ii) | £40,000 | €51,000 |
| section 8(3)(a)(iii) | £20,000 | €25,500 |
| section 8(3)(a)(iv) | £40,000 | €51,000 |
| section 8(3)(c)(i) | £40,000 | €51,000 |
| section 8(3)(e) | £20,000 | €25,500 |
| section 8(3A) | £20,000 | €25,500 |
| section 8(9)(b)(ii) | £20,000 | €25,500 |
| section 10A(8)(b) | £500 | €635 |
| section 10A(8)(c) | £500 | €635 |
| section 11(3) | 25 pence | 40 cents |
| section 14(1)(b) | £500,000 | €635,000 |
| section 15A(3)(c) | £100 | €130 |
| section 21(1) | £5 | €6 |
| section 26(1) | £1,200 | €1,520 |
| section 26(2) | £750 | €950 |
| section 26(2A) | £750 | €950 |
| section 26(3) | £750 | €950 |
| section 26(3A) | £1,000 | €1,265 |
| section 26(3B) | £1,200 | €1,520 |
| section 27(1)(a) | £100 | €125 |
| section 27(2)(a) | £100 | €125 |
| section 27(2)(a) | £500 | €630 |
| section 27(2)(a) | £1,000 | €1,265 |
| section 27(2)(b) | £100 | €125 |
| section 27(2)(b) | £200 | €250 |
| section 27(4) | £500 | €630 |
| section 27(4A) | £500 | €630 |
| section 27(5)(b)(i) | £100 | €125 |
| section 28 | £750 | €950 |
| paragraph (viib) of the Sixth Schedule | £20,000 | €25,500 |
| paragraph (viic) of the Sixth Schedule | £20,000 | €25,500 |
| Value-Added Tax Regulations, 1979 (S.I. No. 63 of 1979): | | |
| Regulation 18 | £15 | €20 |
| Regulation 24(2) | £500 | €635 |
| Regulation 31 | £15 | €20 |
| European Communities (Exemption from Value-Added Tax on the Permanent Importation of Certain Goods) Regulations, 1985 (S.I. No. 183 of 1985): | | |
| Regulation 5(2)(b) | 200 ECU | €200 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|---|--|--|
| European Communities (Exemption from Value-Added Tax on the Permanent Importation of Certain Goods) Regulations, 1985 (S.I. No. 183 of 1985)— <i>contd.</i> | | |
| Regulation 5(2)(c) | 200 ECU | €200 |
| Regulation 5(2)(c) | 1,000 ECU | €1,000 |
| Regulation 8 | 10 ECU | €10 |
| Regulation 31 | £500 | €630 |
| Value-Added Tax (Statement of Intra-Community Supplies) Regulations, 1993 (S.I. No. 54 of 1993): | | |
| Regulation 9(1) | £60,000 | €85,000 |
| Regulation 9(1) | £12,000 | €15,000 |
| Regulation 9(2) | £150,000 | €200,000 |
| Regulation 9(2) | £12,000 | €15,000 |
| European Communities (Intrastat) Regulations, 1993 (S.I. No. 136 of 1993): | | |
| Regulation 11(2) | £1,000 | €1,265 |
| Regulation 11(3) | £50 | €60 |
| Value-Added Tax (Refund of Tax) (No. 23) Order, 1992 (S.I. No. 58 of 1992): | | |
| paragraph 2(a) | £20,000 | €25,390 |
| Value-Added Tax (Refund of Tax) (No. 25) Order, 1993 (S.I. No. 266 of 1993): | | |
| paragraph 8 | £100 | €125 |
| Value-Added Tax (Refund of Tax) (No. 27) Order, 1995 (S.I. No. 38 of 1995): | | |
| subparagraph (a) of the definition of “qualifying goods” in paragraph 2 | £20,000 | €25,390 |
| Value-Added Tax (Refund of Tax) (No. 29) Order, 1996 (S.I. No. 334 of 1996): | | |
| paragraph 9 | £250 | €315 |
| paragraph 13 | £100 | €125 |

PART 5

Capital Acquisitions Tax and related matters

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Capital Acquisitions Tax Act, 1976 (No. 8 of 1976) (as amended): | | |
| section 53(1) | £1,000 | €1,270 |
| section 54(1)(b) | £15,000 | €19,050 |
| section 61(3) | £1,000 | €1,265 |
| section 63(1)(a) | £2,000 | €2,535 |
| section 63(1)(b) | £25 | €30 |
| section 63(2) | £1,000 | €1,265 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Capital Acquisitions Tax Act, 1976 (No. 8 of 1976) (as amended)— <i>contd.</i> | | |
| section 63(3)(i) | £5,000 | €6,345 |
| section 63(7) | £1,000 | €1,265 |
| FIRST SCHEDULE, PART II, TABLE A | £1 | €1 |
| FIRST SCHEDULE, PART III, TABLE B | £1 | €1 |
| SECOND SCHEDULE, PART I, paragraph 1(a) | £300,000 | €381,000 |
| SECOND SCHEDULE, PART I, paragraph 1(b) | £30,000 | €38,100 |
| SECOND SCHEDULE, PART I, paragraph 1(c) | £15,000 | €19,050 |
| Finance Act, 1986 (No. 13 of 1986): section 108(a) | £1,000 | €1,265 |
| Finance Act, 1993(No. 13 of 1993): | | |
| section 111(l)(i) | £1,000 | €1,265 |
| section 111(l)(i) | £5,000 | €6,345 |
| section 111(l)(ii) | £400 | €505 |
| section 111(l)(ii) | £2,000 | €2,535 |
| section 111(l)(iii) | £200 | €250 |
| section 111(l)(iii) | £1,000 | €1,265 |
| section 111(l)(iv) | £5 | €6 |
| section 111(l)(iv) | £25 | €30 |
| Finance Act, 1994 (No. 13 of 1994)(as amended): | | |
| section 146(4B)(a)(i)(I) | £100,000 | €127,000 |
| section 146(4B)(a)(i)(II)(B) | £15,000 | €19,050 |
| section 146(4C)(b) | £2,000 | €2,540 |
| section 146(4C)(c) | £2,000 | €2,540 |

PART 6

Stamp Duties and related matters

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|---|--|--|
| Stamp Duties Consolidation Act, 1999 (No. 31 of 1999) (as amended): | | |
| section 5(4) | £100 | €125 |
| section 8(3) | £1,000 | €1,265 |
| section 10(4) | £500 | €630 |
| section 14(1) | penalty of £20 | penalty of €25 |
| section 14(1) | exceeds £20 | exceeds €30 |
| section 15(2) | £5,000 | €6,350 |
| section 25(2) | £500 | €630 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Stamp Duties Consolidation Act, 1999 (No. 31 of 1999) (as amended)— <i>contd.</i> | | |
| section 38(1) | £100 | €130 |
| section 42(3) | £10 | €12.50 |
| section 59(1) | £500 | €630 |
| section 62 | £1 | €1 |
| section 65 | £500 | €630 |
| section 66(2) | £500 | €630 |
| section 70(2)(b) | penny | cent |
| section 75(5) | £1,000 | €1,265 |
| section 76(2) | £1,000 | €1,265 |
| section 76(3) | £1,000 | €1,265 |
| section 83(1) | £10 | €12.50 |
| section 92A(1) | £1 | €1 |
| section 92A(1) | up to the nearest £ | down to the nearest € |
| section 92B(2) | £1 | €1 |
| section 92B(2) | up to the nearest £ | down to the nearest € |
| section 117(1) | £1 | €1 |
| section 117(1) | up to the nearest £ | down to the nearest € |
| section 117(2)(a) | £1 | €1 |
| section 123(3)(b)(ii) | £10 | €12.70 |
| section 123(4) | £5 | €6.25 |
| section 123(7) | £300 | €380 |
| section 124(1)(c) | £15 | €19 |
| section 124(2)(c) | £7.50 | €9.50 |
| section 124(2)(d)(ii) | £15 | €19 |
| section 124(5)(b) | £300 | €380 |
| section 128(2) | £100 | €125 |
| section 129(1) | £500 | €630 |
| section 142(4) | £1,000 | €1,265 |
| section 144(1) | £500 | €630 |
| section 146(3) | £1,000 | €1,265 |
| section 146(5) | £1,000 | €1,265 |
| section 147(2) | £1,000 | €1,265 |
| Heading “BILL OF EXCHANGE or PROMISSORY NOTE.”, in Schedule 1 | 7p | €0.08 |
| Heading “CONVEYANCE or TRANSFER on sale of any stocks or marketable securities.”, in Schedule 1 | £1 | €1 |
| Heading “CONVEYANCE or TRANSFER on sale of any stocks or marketable securities.”, in Schedule 1 | up to the nearest £ | down to the nearest € |
| Heading “CONVEYANCE or TRANSFER on sale of a policy of insurance or a policy of life insurance where the risk to which the policy relates is located in the State.”, in Schedule 1 | £1 | €1 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Stamp Duties Consolidation Act, 1999 (No. 31 of 1999) (as amended)— <i>contd.</i> | | |
| Heading “CONVEYANCE or TRANSFER on sale of a policy of insurance or a policy of life insurance where the risk to which the policy relates is located in the State.”, in Schedule 1 | up to the nearest £ | down to the nearest € |
| Heading “CONVEYANCE or TRANSFER on sale of any property other than stocks or marketable securities or a policy of insurance or a policy of life insurance.”, in Schedule 1: | | |
| paragraph (1) | £100,000 | €127,000 |
| paragraph (1) | £1 | €1 |
| paragraph (1) | up to the nearest £ | down to the nearest € |
| paragraph (2) | £150,000 | €190,500 |
| paragraph (2) | £1 | €1 |
| paragraph (2) | up to the nearest £ | down to the nearest € |
| paragraph (3) | £200,000 | €254,000 |
| paragraph (3) | £1 | €1 |
| paragraph (3) | up to the nearest £ | down to the nearest € |
| paragraph (4) | £250,000 | €317,500 |
| paragraph (4) | £1 | €1 |
| paragraph (4) | up to the nearest £ | down to the nearest € |
| paragraph (5) | £300,000 | €381,000 |
| paragraph (5) | £1 | €1 |
| paragraph (5) | up to the nearest £ | down to the nearest € |
| paragraph (6) | £500,000 | €635,000 |
| paragraph (6) | £1 | €1 |
| paragraph (6) | up to the nearest £ | down to the nearest € |
| paragraph (6A) | £1 | €1 |
| paragraph (6A) | up to the nearest £ | down to the nearest € |
| paragraph (7) | £5,000 | €6,350 |
| paragraph (8) | £10,000 | €12,700 |
| paragraph (8) | £1 | €1 |
| paragraph (8) | up to the nearest £ | down to the nearest € |
| paragraph (9) | £15,000 | €19,050 |
| paragraph (9) | £1 | €1 |
| paragraph (9) | up to the nearest £ | down to the nearest € |
| paragraph (10) | £25,000 | €31,750 |
| paragraph (10) | £1 | €1 |
| paragraph (10) | up to the nearest £ | down to the nearest € |
| paragraph (11) | £50,000 | €63,500 |
| paragraph (11) | £1 | €1 |
| paragraph (11) | up to the nearest £ | down to the nearest € |
| paragraph (12) | £60,000 | €76,200 |
| paragraph (12) | £1 | €1 |
| paragraph (12) | up to the nearest £ | down to the nearest € |
| paragraph (13) | £1 | €1 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|---|--|--|
| Stamp Duties Consolidation Act, 1999 (No. 31 of 1999) (as amended)— <i>contd.</i> | | |
| paragraph (13) | up to the nearest £ | down to the nearest € |
| paragraph (14) | £1 | €1 |
| paragraph (14) | up to the nearest £ | down to the nearest € |
| paragraph (15) | £1 | €1 |
| paragraph (15) | up to the nearest £ | down to the nearest € |
| Heading “CONVEYANCE or TRANSFER of any kind not already described in this Schedule.”, in Schedule 1 | £10 | €12.50 |
| Heading “DUPLICATE or COUNTERPART of any instrument chargeable with any duty.”, in Schedule 1 | £10 | €12.50 |
| Heading “EXCHANGE — instruments effecting.”, in Schedule 1 | £10 | €12.50 |
| Heading “LEASE.”, in Schedule 1: | | |
| paragraph (1) | £15,000 | €19,050 |
| paragraph (3)(a)(i) | £100,000 | €127,000 |
| paragraph (3)(a)(i) | £1 | €1 |
| paragraph (3)(a)(i) | up to the nearest £ | down to the nearest € |
| paragraph (3)(a)(ii) | £150,000 | €190,500 |
| paragraph (3)(a)(ii) | £1 | €1 |
| paragraph (3)(a)(ii) | up to the nearest £ | down to the nearest € |
| paragraph (3)(a)(iii) | £200,000 | €254,000 |
| paragraph (3)(a)(iii) | £1 | €1 |
| paragraph (3)(a)(iii) | up to the nearest £ | down to the nearest € |
| paragraph (3)(a)(iv) | £250,000 | €317,500 |
| paragraph (3)(a)(iv) | £1 | €1 |
| paragraph (3)(a)(iv) | up to the nearest £ | down to the nearest € |
| paragraph (3)(a)(v) | £300,000 | €381,000 |
| paragraph (3)(a)(v) | £1 | €1 |
| paragraph (3)(a)(v) | up to the nearest £ | down to the nearest € |
| paragraph (3)(a)(vi) | £500,000 | €635,000 |
| paragraph (3)(a)(vi) | £1 | €1 |
| paragraph (3)(a)(vi) | up to the nearest £ | down to the nearest € |
| paragraph (3)(a)(vii) | £1 | €1 |
| paragraph (3)(a)(vii) | up to the nearest £ | down to the nearest € |
| paragraph (3)(b)(i) | £5,000 | €6,350 |
| paragraph (3)(b)(ii) | £10,000 | €12,700 |
| paragraph (3)(b)(ii) | £1 | €1 |
| paragraph (3)(b)(ii) | up to the nearest £ | down to the nearest € |
| paragraph (3)(b)(iii) | £15,000 | €19,050 |
| paragraph (3)(b)(iii) | £1 | €1 |
| paragraph (3)(b)(iii) | up to the nearest £ | down to the nearest € |
| paragraph (3)(b)(iv) | £25,000 | €31,750 |
| paragraph (3)(b)(iv) | £1 | €1 |
| paragraph (3)(b)(iv) | up to the nearest £ | down to the nearest € |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|---|--|--|
| Stamp Duties Consolidation Act, 1999 (No. 31 of 1999) (as amended)— <i>contd.</i> | | |
| paragraph (3)(b)(v) | £50,000 | €63,500 |
| paragraph (3)(b)(v) | £1 | €1 |
| paragraph (3)(b)(v) | up to the nearest £ | down to the nearest € |
| paragraph (3)(b)(vi) | £60,000 | €76,200 |
| paragraph (3)(b)(vi) | £1 | €1 |
| paragraph (3)(b)(vi) | up to the nearest £ | down to the nearest € |
| paragraph (3)(b)(vii) | £1 | €1 |
| paragraph (3)(b)(vii) | up to the nearest £ | down to the nearest € |
| paragraph (3)(b)(viii) | £1 | €1 |
| paragraph (3)(b)(viii) | up to the nearest £ | down to the nearest € |
| paragraph (3)(c)(i) | £1 | €1 |
| paragraph (3)(c)(i) | up to the nearest £ | down to the nearest € |
| paragraph (3)(c)(ii) | £1 | €1 |
| paragraph (3)(c)(ii) | up to the nearest £ | down to the nearest € |
| paragraph (3)(c)(iii) | £1 | €1 |
| paragraph (3)(c)(iii) | up to the nearest £ | down to the nearest € |
| paragraph (4) | £10 | €12.50 |
| paragraph (5) | £10 | €12.50 |
| Heading “MORTGAGE, BOND, DEBENTURE, COVENANT (except a marketable security) which is a security for the payment or repayment of money which is a charge or incumbrance on property situated in the State other than shares in stocks or funds of the Government or the Oireachtas.”, in Schedule 1: | | |
| paragraph (1) | £1 | €1 |
| paragraph (1) | up to the nearest £ | down to the nearest € |
| paragraph (1) | £500 | €630 |
| paragraph (2) | £10 | €12.50 |
| paragraph (3) | £1 | €1 |
| paragraph (3) | up to the nearest £ | down to the nearest € |
| paragraph (3) | £500 | €630 |
| paragraph (4) | £1 | €1 |
| paragraph (4) | up to the nearest £ | down to the nearest € |
| paragraph (4) | £500 | €630 |
| Heading “POLICY OF INSURANCE other than Life Insurance where the risk to which the policy relates is located in the State.”, in Schedule 1 | £15 | €20 |
| Heading “POLICY OF INSURANCE other than Life Insurance where the risk to which the policy relates is located in the State.”, in Schedule 1 | £1 | €1 |

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Stamp Duties Consolidation Act, 1999 (No. 31 of 1999) (as amended)— <i>contd.</i> | | |
| Heading “RELEASE or RENUNCIATION of any property, or of any right or interest in any property.”, in Schedule 1 | £10 | €12.50 |
| Heading “SURRENDER of any property, or of any right or interest in any property.”, in Schedule 1 | £10 | €12.50 |

PART 7

Residential Property Tax and related matters

| Enactment amended (1) | Amount or words to be replaced (2) | Amount or words to be inserted (3) |
|--|--|--|
| Part VI of the Finance Act, 1983 (No. 15 of 1983)(as amended): | | |
| section 100(1) | £300,000 | €382,000 |
| section 100(1) | £1,000 | €1,000 |
| section 112(1)(a) | £1,000 | €1,265 |
| section 112(1)(b) | £50 | €60 |
| section 112(2) | £1,000 | €1,265 |
| section 112(3)(d)(i) | £2,000 | €2,535 |
| section 112(7) | £1,000 | €1,265 |