EXCESS PROFITS LEVY

1953 No. 1346

The Excess Profits Levy (Metals, Oil and Mineral Producing Concerns) Regulations, 1953

Made - - - -	*3rd September,* 1953
Laid before the House of Commons	*7th September,* 1953
Coming into Operation	*14th September,* 1953

The Lords Commissioners of Her Majesty's Treasury, in exercise of the powers conferred upon them by subsection (8) of section fifty-six of the Finance Act, 1952(a) as amended by subsection (3) of section twenty-seven of the Finance Act, 1953(b) hereby make the following Regulations for carrying the said section fifty-six, as amended, into effect:—

Citation and Commencement

1. These Regulations may be cited as the Excess Profits Levy (Metals, Oil and Mineral Producing Concerns) Regulations, 1953, and shall come into operation on the fourteenth day of September, nineteen hundred and fifty-three.

Interpretation

2. The Interpretation Act, 1889(c) shall apply to the interpretation of these Regulations as it applies to the interpretation of an Act of Parliament.

Rules

3. Where the Treasury certify under subsection (1) of section fifty-six of the Finance Act, 1952, as amended, that an increase in output of any metal, or of oil or of any mineral, over output at the normal rate is essential in the national interest and a body corporate carrying on a trade or business which consists of or includes the mining of that metal, the getting of oil from oil wells or the winning of that mineral from a natural deposit of a wasting nature elects that its profits shall be computed, for the purposes of the Excess Profits Levy, in accordance with the provisions of the said section fifty-six, the rules laid down by the following Regulations shall be followed in relation to that body corporate (unless and until that certificate is revoked), in determining for the purposes of that section, as amended, the respective matters referred to in subsection (8) thereof.

Output and Additional Output

4. Subject to the provisions of the proviso to subsection (3) and of subsection (4) of the said section fifty-six the output in relation to any accounting period of a body corporate shall be the amount of the metal, oil or mineral sold in that period, being metal, oil or a mineral mined, got or won by the body corporate and additional output shall be determined accordingly.

Profit at the Normal Rate

5. Subject to the provisions of Regulation 6 of these Regulations, the amount to be taken to represent profit at the normal rate for any chargeable accounting period on any additional output shall, where the body corporate's

(a) 15 & 16 Geo. 6 & 1 Eliz. 2. c. 33. (b) 1 & 2 Eliz. 2. c. 34. (c) 52 & 53 Vict. c. 63.

standard profits for a full year are calculated by reference to its profits during the standard years, be the amount which would have been the profit on that additional output if the rate of profit thereon had been the same as the average rate of profit which was earned on the actual output of those standard years. For this purpose the aggregate profits of the body corporate on its output for those standard years shall be divided by the aggregate output for those years.

6. Where—

(*a*) the body corporate's standard profits are calculated otherwise than by reference to its profits during the standard years ; or

(*b*) it has made an election under paragraph (*a*) of subsection (4) of section thirty-eight of the Finance Act, 1952 ; or

(*c*) it is a member of a group within the meaning of the Twelfth Schedule to the Finance Act, 1952, and its share under paragraph nine of the said Schedule in the composite figure for the group is nil,

the amount to be taken to represent profit at the normal rate for any chargeable accounting period shall be determined having regard to the general conditions of the class to which the body corporate's trade or business belongs, the particular circumstances of the body corporate and, where the body corporate is a member of a group, the circumstances of the other members of that group.

7. Where a standard year or chargeable accounting period is not an accounting period subsections (2) and (3) of section forty-five of the Finance Act, 1952, shall apply to the ascertainment of output in that year or period in the like manner as it applies to the ascertainment of the profits for such year or period.

Dated this third day of September, 1953.

Hendrie D. Oakshott,
Dennis Vosper,
Two of the Lords Commissioners
of Her Majesty's Treasury.

EXPLANATORY NOTE

(This Note is not part of the Regulations, but is intended to indicate their general purport.)

Section 56, Finance Act, 1952, as amended by Section 27 (3), Finance Act, 1953, provides that, if the Treasury certify that an increase in output of any metal, or of oil or asbestos or any other mineral, over output at the normal rate is essential in the national interest, a body corporate whose trade or business consists of or includes the mining of the metal, the getting of oil from oil wells or the winning of the mineral from a natural deposit of a wasting nature and which, in the period for which Excess Profits Levy is charged, makes profits from an increase in its output of the metal, etc., over its normal rate of output may claim a deduction from its profits, for the purposes of the Excess Profits Levy, equal to profit at the normal rate on the additional output achieved in the Excess Profits Levy period. These Regulations, pursuant to subsection (8) of Section 56, Finance Act, 1952, lay down rules for determining in the case of such claims (i) what is the additional output in any period and (ii) what is the profit at the normal rate on any output.