

Revenue Act 1968

1968 CHAPTER 11

An Act to reduce the amount of certain payments under the Selective Employment Payments Act 1966 with exceptions for development areas, and to amend the law about export rebates. [13th March 1968]

Most Gracious Sovereign

WE, Your Majesty's most dutiful and loyal subjects, the Commons of the United Kingdom in Parliament assembled, towards making an addition to the public revenue, have freely and voluntarily resolved to make such provision as respects export rebates as is hereinafter set out; and do therefore most humbly beseech Your Majesty that it may be enacted, and be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Withdrawal of part of selective employment payments outside development areas.
1966 c. 32.

1.—(1) Subsections (2), (3) and (4) of this section have effect as respects any payments under the Selective Employment Payments Act 1966 (in this section called the "Act of 1966") for any contribution week beginning on or after 1st April 1968.

(2) No addition to the refund of tax shall be added to a payment under section 1 of the Act of 1966 unless the relevant establishment is situated wholly within a development area.

(3) Paragraph (*a*) of section 3(2) of the Act of 1966 (public bodies: amount of certain payments to correspond to tax paid plus appropriate addition) shall only apply if the employment there described (employment in a part of an undertaking specified in Part III of Schedule 1 to the Act of 1966) is employment at or from places situated wholly within a development area, and paragraph (*b*) of the said section 3(2) (amount of payments to correspond to tax paid) shall apply to cases hereby excluded from paragraph (*a*).

(4) In accordance with subsection (3) above, in the said section 3(2)(*a*) after the word " Schedule " there shall be inserted the words " and was employment at or from places situated wholly within a development area ".

(5) For cases where payments which include an addition to the refund of tax, or payments corresponding to such payments, have been paid in connection with any establishment or part of an undertaking for contribution weeks beginning on or after 1st April 1968, but cease to be payable by reason of a change in the development areas, the Treasury may by order provide for additions to the refund of tax, or corresponding payments, to continue to be paid under the Act of 1966 in connection with the establishment or part of an undertaking for such period as may be so specified in the order, and of such amount or amounts as may be specified either in relation to the whole of that period or in relation to different parts of that period.

An order under this subsection—

(*a*) may be made either in relation to all development areas or in relation only to such development areas or parts of development areas as are specified in the order,

(*b*) shall be made by statutory instrument, and

(*c*) may be varied or revoked by a subsequent order under this subsection,

but no order shall be made under this subsection unless a draft thereof has been approved by resolution of each House of Parliament.

(6) In this section—

" development area " has the same meaning as in section 26 of the Finance Act 1967, 1967 c. 54.

" addition to the refund of tax " means any addition (to the amount of tax paid) under paragraphs (*a*) to (*d*) of section 1(1) of the Act of 1966,

" relevant establishment " in relation to a payment under section 1 of the Act of 1966, and in respect of a person in an employment to which that section applies, means the establishment in or from which the employment is carried out.

(7) This section shall be construed as one with the Act of 1966.

(8) For any contribution week beginning on or after 1st April 1968 paragraphs (*a*), (*b*), (*c*) and (*d*) of section 1(1) of the Act of 1966 shall cease to have effect except where the relevant establishment is situated wholly within a development area, and except as applied by section 3(2)(*a*) of that Act.

(9) This section does not extend to Northern Ireland.

Termination of export rebates. 1964 c. 92.

2.—(1) Subject to the provisions of this Act, no rebate shall be payable under section 7 of the Finance (No. 2) Act 1964 (export rebates)—

(*a*) in respect of goods exported from the United Kingdom after 31st March 1968, or

(*b*) if the relevant transaction is a sale made after 31st March 1968, in respect of goods exported from the United Kingdom on or before 31st March 1968.

(2) Subsection (1) above shall not apply if the relevant transaction (for cases within paragraph (*a*) as well as cases within paragraph (*b*) of that subsection) is a written contract of sale, or a sale in pursuance of a written contract of sale, and the Board of Trade are satisfied as respects that contract of sale, on a written application made to them not later than the expiration of a period of one month beginning with the passing of this Act—

(*a*) that the contract of sale was made before 19th November 1967,

(*b*) that the contract satisfies the conditions in subsection (3) or as the case may be subsection (4) below,

and issue to the applicant a certificate in writing to the effect that they are so satisfied.

(3) Where the price for the goods is expressed in sterling, the said conditions are that there is no provision for the alteration of the terms of the contract on a change in the exchange rate of sterling with any other currency or medium of exchange, or on the withdrawal of export rebates, and—

(*a*) either that the price for the goods is payable in sterling, or

(*b*) where the price for the goods is not payable in sterling, that there is no provision for the conversion of the expressed sterling price into the currency in which the price is payable to be at a rate of exchange which was the rate prevailing at some time before 19th November 1967.

(4) Where the price for the goods is not expressed in sterling, the said conditions are—

(*a*) either that the price is payable in sterling and the contract provided for the conversion of the expressed price into sterling at a rate of exchange which was the rate prevailing at some time before 19th November 1967, or

(*b*) that the price is not payable in sterling and the contract provided for the price to be reduced on a change in the exchange rate of sterling with the currency in which the price is expressed,

and in either case that there is no provision for the alteration of the terms of the contract on the withdrawal of export rebates.

(5) The Schedule to this Act shall have effect for supplementing this section.

(6) In this and the next following section, and in the said Schedule, "relevant transaction" means the transaction by virtue of which an application for the rebate in question is made.

(7) This and the next following section and the said Schedule shall be construed as one with section 7 of the Finance (No. 2) Act 1964. 1964 c. 92.

Re-introduction of export rebates.

3.—(1) The Treasury may by order direct that rebate shall, notwithstanding section 2 above and paragraph 1 of the Schedule to this Act, be payable under section 7 of the Finance (No. 2) Act 1964 in respect of goods exported from the United Kingdom on or after the date specified in the order.

(2) An order under this section may be made to apply only in respect of goods shown to the satisfaction of the Commissioners to have been consigned to countries or territories specified in the order, or to apply only in respect of goods shown to the satisfaction of the Commissioners to have been exported for use in countries or territories so specified, and may exclude cases where the relevant transaction is a sale or hiring effected after the export of the goods.

(3) An order under this section—

(*a*) may exclude or modify any of the provisions of paragraphs 8 to 11 of the Schedule to this Act,

(*b*) may contain such transitional and other supplemental and incidental provisions as appear to the Treasury to be expedient,

(*c*) may be varied or revoked by a subsequent order under this section.

(4) An order under this section shall be laid before the House of Commons after being made, and the order shall cease to have effect at the end of twenty-eight days after that on which it is made (but without prejudice to the payment of rebate by reference to a previous relevant transaction or to the making of a new order) unless at some time before the end of those twenty-eight days the order is approved by resolution of the House of Commons.

In reckoning for the purposes of this subsection any period of twenty-eight days, no account shall be taken of any time during which Parliament is dissolved or prorogued or during which the House of Commons is adjourned for more than four days.

(5) An order under subsection (3)(*c*) above which terminates export rebates either generally, or in respect of goods consigned

to a specified country or territory, may apply, subject to the modifications and exceptions specified in the order, the provisions of section 2 above, and of the Schedule to this Act:

Provided that in applying the Schedule to this Act its penal provisions shall not be modified by enlarging the circumstances in which a criminal offence is committed, or by authorising a new or increased penalty.

Short title.

4. This Act may be cited as the Revenue Act 1968.

SCHEDULE

Section 2.

EXPORT REBATES: SUPPLEMENTAL

Termination of export rebates for hired goods

1. Subject to paragraph 2 below, no rebate shall be payable under section 7 of the Finance (No. 2) Act 1964 in respect of goods exported from the United Kingdom on or before 31st March 1968 if the relevant transaction— 1964 c. 92.

(*a*) is a hiring made, or under which possession of the goods passes, after 31st March 1968, or

(*b*) is a contract of hire which does not specify the period of hiring, or a hiring pursuant to such a contract, and on 31st March 1968 the goods have not been on hire outside the United Kingdom pursuant to the contract for one year or more.

2.—(1) Neither section 2(1) of this Act nor paragraph 1 above shall apply if the relevant transaction is a written contract of hire, or a hiring in pursuance of a written contract of hire, and the Board of Trade are satisfied, on a written application made to them not later than the expiration of a period of one month beginning with the passing of this Act—

(*a*) that the contract was made before 19th November 1967,

(*b*) that the contract satisfies the conditions in sub-paragraph (2) or as the case may be sub-paragraph (3) below,

and issue to the applicant a certificate in writing to the effect that they are so satisfied.

(2) Where the consideration payable for the hiring is expressed in sterling, the said conditions are that there is no provision for the alteration of the terms of the contract on a change in the exchange rate of sterling with any other currency or medium of exchange, or on the withdrawal of export rebates, and—

(*a*) either that the consideration is payable in sterling, or

(*b*) where the consideration is not payable in sterling, that there is no provision for the conversion of the expressed sterling amount into the currency in which the consideration is payable to be at a rate of exchange which was the rate prevailing at some time before 19th November 1967.

(3) Where the consideration payable for the hiring is not expressed in sterling, the said conditions are—

(*a*) either that the consideration is payable in sterling and the contract provided for the conversion of the expressed amount into sterling at a rate of exchange which was the rate prevailing at some time before 19th November 1967, or

(*b*) that the consideration is not payable in sterling and the contract provided for the expressed amount to be reduced on a change in the exchange rate of sterling with the currency in which it is expressed,

and in either case that there is no provision for the alteration of the terms of the contract on the withdrawal of export rebates.

Board of Trade certificates

3.—(1) An application to the Board of Trade for a certificate under this Act shall be made in such form and manner, and shall contain such particulars, as the Board may direct.

(2) If before the passing of this Act, and in accordance with arrangements made by the Board of Trade, any person has made an application to the Board as respects a contract made before 19th November 1967 with a view to obtaining relief under this Act, the Board of Trade may if they think fit treat the application as if made under this Act.

1964 c. 92.

4. On any application under section 7 of the Finance (No. 2) Act 1964 for export rebate payable by virtue of a certificate of the Board of Trade under this Act the Commissioners may require the applicant to produce the certificate and to make a declaration in such form and manner, and containing such particulars, as the Commissioners may direct, stating that the facts stated in the application to the Board of Trade for the certificate were true.

5.—(1) Any officer or person authorised by the Board of Trade may require any person who has been concerned with a contract in respect of which an application has been made (before or after the passing of this Act) to the Board of Trade for a certificate under this Act, or with any goods to which such a contract relates, to furnish, within such time as that officer or person may require, such information as may be reasonably necessary to enable the Board of Trade to determine whether a certificate should be issued in respect of that contract, or whether any certificate so issued should be cancelled under paragraph 6 below, and to produce any books or accounts or other document of whatever nature relating to the contract, or to those goods, for inspection by that officer or person at such time and place as he may require.

(2) Any such officer or person shall be entitled to take extracts from or make copies of any document produced to him under sub-paragraph (1) above.

(3) If any person fails to comply with any requirement under sub-paragraph (1) above he shall be liable on summary conviction to a fine not exceeding—

(*a*) in the case of a first offence under this paragraph, £100, and

(*b*) in the case of a second or subsequent offence under this paragraph, £200.

6.—(1) The Board of Trade may at any time cancel a certificate issued by them if they discover any fact not taken into account by them in deciding to issue the certificate.

(2) The Board of Trade shall forthwith notify the applicant of the cancellation of the certificate.

(3) The Commissioners may require a person to whom a rebate has been paid by virtue of a certificate of the Board of Trade cancelled under this paragraph to repay the whole or any part of that rebate, or may withhold the whole or any part of any rebate which would, but for the cancellation of the certificate, be payable to any person.

7.—(1) If after the passing of this Act any person, for the purpose of inducing the Board of Trade to issue a certificate under this Act, makes any statement or furnishes any document or information which to his knowledge is false in a material particular or recklessly makes any statement which is false in a material particular, he shall be liable—

(*a*) on summary conviction to a fine not exceeding £200,

(*b*) on conviction on indictment to a fine or to imprisonment for a term not exceeding two years, or to both.

(2) No proceedings for an offence under this paragraph shall be instituted except by or with the consent of the Director of Public Prosecutions or the Board of Trade.

Early payment of export rebates

8.—(1) This paragraph has effect as respects any export rebates payable by virtue of a certificate issued by the Board of Trade under this Act.

(2) If it appears to the Commissioners that it is practicable to determine the amount of any such rebate which will become payable if the terms of the contract to which the certificate relates are carried out, they may, at any time after the appointed date, pay the rebate notwithstanding that one or more of the conditions for the payment of the rebate mentioned in paragraphs (*a*), (*b*), (*c*) and (*d*) of section 7(2) of the Finance (No. 2) Act 1964 has not then been satisfied, but subject to such conditions as the Commissioners think necessary for securing the repayment of the whole or any part of the rebate if the conditions in the said section 7(2) are not all satisfied within such time as they may determine. 1964 c. 92.

(3) In considering whether it is practicable to determine the amount of any such rebate the Commissioners shall take account of the provisions of the next following paragraph (which modify certain provisions in Schedule 3 to the said Act of 1964 depending on facts which cannot be ascertained on the appointed date).

(4) In this and the next following paragraph " the appointed date " means such date, not earlier than 31st December 1968, as the Treasury may by order in a statutory instrument appoint.

9.—(1) Schedule 3 to the Finance (No. 2) Act 1964 (ascertainment of export value) shall apply to export rebates payable by virtue of a certificate issued by the Board of Trade under this Act subject to the modifications in this paragraph.

(2) In paragraph 2(3) and in paragraph 3(3) (discount for purchase price or rental payable twelve months or more after time when property or possession passes), as they apply to cases where that time cannot be ascertained on the appointed date, for the references to that time there shall be substituted a reference to the appointed date.

(3) In the said paragraph 2(3) and the said paragraph 3(3) for the reference to the bank rate prevailing at the time when property or

possession passes there shall be substituted a reference to the bank rate prevailing at that time or on the appointed date, whichever is the earlier.

(4) In paragraph 4(1) (comparison with open market value at time of export) for the reference to the time of export there shall be substituted a reference to that time or the appointed date, whichever is the earlier.

(5) In paragraph 4(3) (comparison with open market value at time of sale after export) for the reference to that time there shall be substituted a reference to that time or the appointed date, whichever is the earlier.

Exclusion of applications for small amounts

10. Section 7(8) of the said Act of 1964 (no rebate unless export value of goods covered by applications in any one year is £2,000 or more) shall apply to the half year from 1st October 1967 to 31st March 1968 as if it were a year, but with the substitution of £1,000 for £2,000.

11.—(1) If on an application as respects any period beginning after 31st March 1968 the applicant so elects by notice in writing to the Commissioners, sub-paragraph (2) below shall apply to the application, and shall so apply in substitution for the said section 7(8).

(2) An applicant shall not be eligible for a rebate by virtue of the application unless the export value of the goods to which the application relates (determined in accordance with Schedule 3 to the Act of 1964) is not less than £500.