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10 DOWNING STREET

From the Private Secretary

29 April, 1983

Clause 90 of the Finance Bill

The Prime Minister understands that Clause 90 of the Finance Bill extends considerably the power of the Inland Revenue to deduct 40 per cent from transactions involving land where the disposer has a usual place of abode outside the United Kingdom, and that this power was hitherto restricted to development land and is now extended to all land where the price exceeds £50,000.

BF The Prime Minister enquires whether this new power introduces new risks into lending on mortgage security in the United Kingdom; and whether it makes inward investment of its property less attractive. The Prime Minister would be grateful for a note on this topic.

M. C. SCHOLAR

Miss Margaret O'Mara,
H.M. Treasury

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