

Tax and Financial Transparency Bill

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TO

Require the Secretary of State to take steps to require banks, corporations and trusts to provide information on their status, income arising and tax payments made in each jurisdiction in which they operate; and for connected purposes.

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:—

1 Provision of bank account information

- (1) United Kingdom financial institutions must advise Her Majesty's Revenue and Customs and Companies House that they have opened or closed an account for a United Kingdom limited liability company (whether incorporated in the United Kingdom or registered under the Companies Act 2006 as a foreign company trading in the United Kingdom), limited liability partnership, or other entity incorporated with limited liability in the United Kingdom within thirty days of that account being opened or closed. 5
- (2) The Secretary of State must lay regulations to give effect to this requirement within 6 months of the passing of this Act, including those penalties that shall apply for failure to notify. The regulations must be in the form of a statutory instrument and may not be made unless a draft of the statutory instrument has been laid before, and approved by a resolution of, each House of Parliament. 10
- (3) In this Act—
“financial institution” has the meaning set out in section 182 of the Banking Act 2009; 15
“limited liability company” means the same as in the Companies Act 2006.

2 Duties of Companies House and Her Majesty's Revenue and Customs

- (1) Companies House must record that they have received notification that a company has an account with a United Kingdom financial institution. 20
- (2) Companies House must not dissolve any company on the Register of Companies that has an account with a United Kingdom financial institution.

- (3) Her Majesty’s Revenue and Customs must issue a request for a corporation tax return from all United Kingdom limited liability companies that have an account with a United Kingdom financial institution.
- (4) If Companies House or Her Majesty’s Revenue and Customs cannot secure information from a United Kingdom company, partnership or other entity as defined in section 1(1) within ninety days of that information being due for submission then any financial institution that maintains an account for the company, partnership or other entity concerned must submit to either Her Majesty’s Revenue and Customs or Companies House on request that information that it holds on—
- (a) the address at which the relevant entity may be contacted;
 - (b) the names and addresses of those it has recorded as beneficial owners of the relevant entity;
 - (c) the names and addresses of those who it has recorded as directors of the relevant entity.
- (5) The Secretary of State must lay regulations to give effect to this requirement within 6 months of the passing of this Act, including those penalties that shall apply for failure to notify. The regulations must be in the form of a statutory instrument and may not be made unless a draft of the statutory instrument has been laid before, and approved by a resolution of, each House of Parliament.

3 Financial transparency: companies and trusts

- (1) Every company, including a parent company, incorporated in or operating in the United Kingdom must publish in its annual financial statements prepared in accordance with the requirements of the Companies Act 2006 an analysis of the consolidated turnover and profit made by it in each jurisdiction in which it has a permanent establishment for taxation purposes as defined by section 1119 of the Corporation Tax Act 2010 and the resulting taxation liability due and payment made by that company and its group (if applicable) in each such jurisdiction, without exception being made on the grounds of immateriality.
- (2) Such trusts, organisations and other bodies to be set out in regulations made by the Secretary of State shall be subject to the provisions of subsection (1).
- (3) Regulations under this section may make such incidental or transitional provision as the Secretary of State considers appropriate.
- (4) Regulations under this section shall be made by statutory instrument and shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) In this section—
- “company” means a company registered under the Companies Act 2006 in the United Kingdom and all its subsidiary companies; and
 - “operating in the United Kingdom” includes trading, acting charitably or making donations for political purposes.

4 Financial provisions

There shall be paid out of money provided by Parliament—

- (a) *any expenditure incurred under or by virtue of this Act by a Minister of the Crown or a government department, and*

- (b) *any increase attributable to this Act in the sums payable under any other Act out of money so provided.*

5 Short title, commencement and extent

- (1) This Act may be cited as the Tax and Financial Transparency Act 2011.
- (2) Sections 1(2), 2(5), 3(2), 3(3) and 3(4) of this Act come into force on the day on which this Act is passed. 5
- (3) The rest of this Act comes into force at the end of the period of 12 months beginning with the day on which it is passed.
- (4) This Act extends to England and Wales, Scotland and Northern Ireland.

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To require the Secretary of State to take steps to require banks, corporations and trusts to provide information on their status, income arising and tax payments made in each jurisdiction in which they operate; and for connected purposes.

*Presented by Caroline Lucas,
supported by
Kate Green and Jeremy Corbyn.*

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to be Printed, 17 March 2011.*

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