



SUPPLEMENT TO THE VOTES AND PROCEEDINGS

Tuesday 5 July 2011

REPORT STAGE PROCEEDINGS

FINANCE (NO. 3) BILL, AS AMENDED

[THIRD DAY]

John McDonnell
John Cryer

Not called 15

Page 2, line 16 [Clause 4], leave out ‘is treated as having come into force on 1 April 2011’ and insert ‘shall come into effect when legislation shall have been enacted requiring that all public limited companies registered in the United Kingdom shall be required to submit the arrangements for the payment of salaries and bonuses of their directors to a binding vote of approval by their shareholders at an Annual General Meeting.’.

John McDonnell
John Cryer

Not called 20

Page 2, line 16 [Clause 4], leave out ‘is treated as having come into force on 1 April 2011’ and insert ‘shall come into effect when legislation shall have been enacted requiring all public limited companies registered in the United Kingdom to publish the current salaries and bonuses of their directors.’.

Malcolm Bruce

Not called 51

Page 4, line 6 [Clause 7], at end insert—
‘(10A) The Chancellor shall produce, before 30 August 2011, a report on the Government’s discussions with the industry on the implementation of the increased charge’.

John McDonnell
John Cryer

Not selected 16

Page 5, line 8 [Clause 9], leave out ‘on or after 6 April 2011’ and insert ‘when a comprehensive report of HM Treasury on the impact of tax lost to HM Treasury as a result of the striking off of companies from the Register of Companies, whether voluntarily or as a result of the actions of the Registrar of Companies, is laid before this House with

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recommendations being made on how the number of such companies struck off the Register as a consequence of failure to comply with the requirements of the law can be curtailed and how the resulting loss of taxation to the Exchequer can be minimised’.

John McDonnell

Not called 17

Page 27, line 4 [*Clause 42*], after ‘appoint’, insert ‘after a Report has been submitted to the House of Commons detailing the number of EIS schemes previously approved, their total cost in terms of tax relief, the number of jobs created by the companies enjoying such relief and the number of companies that failed subsequent to relief being granted allowing for an estimate to be made of the cost of each job created under the terms of this scheme when compared to the cost of tax relief given.’.

Mr Tom Watson

Not called 9

Page 27, line 35 [*Clause 43*], at end insert—

(11A) In section 1052 in subsection (2) after paragraph (a) insert—

- “(e) incurred on premises costs
- (f) incurred on design costs
- (g) incurred on patent, trade mark, registered design, copyright, design right or plant breeder’s right (see section 1139)”.

(11B) After section 1142 add—

“1142A Premises costs

- (1) In this part “premises costs” means rents and business rates costs of the studio where R&D is undertaken.

1142B Design costs

- (1) In this Part “design costs” means—
 - (a) user interface costs,
 - (b) user testing costs,
 - (c) aesthetic costs,
 - (d) new business model costs.
- (2) In subsection (1)(a) “user interface costs” means—
 - (a) costs occurred from designing the visual and functional appearance of the application,
 - (b) costs occurred from designing the code that reacts to user inputs.
- (3) In subsection (1)(b) “user testing costs” means—
 - (a) costs occurred during product testing.
- (4) In subsection (1)(c) “aesthetic costs” means—
 - (a) costs occurred from the artistic design of the product.
- (5) In subsection (1)(d) “new business model costs” means—
 - (a) marketing of building a new business monetisation model,

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- (b) marketing of testing a new business monetisation model.”’.

John McDonnell
John Cryer

Not selected **18**

Page **28**, line **14** [*Clause 47*], at end insert ‘and shall have effect when a Report is submitted to the House of Commons detailing progress made by HM Treasury in securing powers to obtain information on the activities of UK resident taxpayers in tax havens, progress made by the United Kingdom in securing rapid implementation of the proposed changes to the European Union Savings Tax Directive and progress made in securing information exchange under all tax information exchange agreements signed since 2005, including the number of information exchanges made with each territory with which such an agreement has been signed, the nature of the enquiry made in each case, the approximate amount of tax involved and the success of the jurisdiction in question in supplying the information requested.’.

John McDonnell
John Cryer

Not selected **19**

Page **42**, line **30** [*Clause 73*], at end insert ‘and shall have effect when a comprehensive report of HM Treasury on the potential for the introduction of a financial transaction tax based upon an average rate of 0.05 per cent. applied to individuals and institutions trading in financial products including stocks, bonds, currencies, commodities, futures and options, is laid before this House.’.

Ed Balls
Ms Angela Eagle
Mr David Hanson
Chris Leslie
Kerry McCarthy
John Cryer

Negated on division **13**

Page **42**, line **30** [*Clause 73*], at end insert—
‘(2) The Chancellor of the Exchequer shall review the possibility of incorporating a bank payroll tax within the bank levy and publish a report, within six months of the passing of this Act, on how the additional revenue raised would be invested to create new jobs and tackle unemployment.’.

John McDonnell
John Cryer

Negated on division **31**

Page **42**, line **30** [*Clause 73*], at end insert—
‘(2) The Chancellor of the Exchequer shall review the possibility of incorporating a bank financial transaction tax within the bank levy, levied on trading in financial products including stocks, bonds, currencies, commodities, futures and options and publish a report within six months of the passing of this Act, on how the additional revenue raised would be invested to tackle unemployment and reduce

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poverty in the United Kingdom and to assist in tackling deprivation in the developing world.’.

Ed Balls
Ms Angela Eagle
Mr David Hanson
Chris Leslie
Kerry McCarthy
Nic Dakin

INVALID - REMOVE! 11

John Cryer

Negated on division 12

Page 45, line 5 [*Clause 78*], at end insert—

- ‘(2) The Schedule shall not come into force except as specified in subsection (3) below.
- (3) The Chancellor of the Exchequer shall bring the Schedule into force by order within six months of the passing of this Act.
- (4) A statutory instrument containing an order under subsection (3) shall be accompanied by a report which details—
- (a) any effective subsidy provided to, or additional profits accruing to, operators of existing and new nuclear power stations as a result of the provisions in the Schedule;
 - (b) the immediate impact of the provisions in the Schedule on consumers and on fuel poverty;
 - (c) the immediate impact of the provisions in the Schedule on energy-using manufacturing industries and on employment in those industries;
 - (d) the expected effect of the provisions in the Schedule on investment in new renewable power generation and on investment in new nuclear power generation;
 - (e) the measures that the Chancellor intends to adopt in a future Finance Bill in order to recoup any effective subsidy to or additional profits accruing to the nuclear industry as a result of the Schedule; and
 - (f) how the monies raised by those measures will be used to mitigate the immediate impact of the Schedule on consumers and on manufacturing industries and to encourage green investment.’.

Ian Swales
Tim Farron

Not called 21

Page 45, line 5 [*Clause 78*], at end insert—

‘The Schedule shall come into force on a date specified by the Treasury by an order made by Statutory Instrument, which may not be made until an agreed packaged of mitigation measures for energy-intensive industries has been laid before the House of Commons and approved by a resolution of the House of Commons. The dates specified in paragraphs 8(3) and 9(5) of the Schedule shall be replaced by the date specified in the order under this

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section if it is later.’.

Mr Chancellor of the Exchequer

Agreed to 1

Page 48, line 16 [*Clause* 87], leave out subsection (4).

Mr Chancellor of the Exchequer

Agreed to 22

Page 166 [*Schedule* 7], leave out line 18 and insert ‘day specified in the election as the day on which it takes effect (which must be later than the day on which the election is made).’.

Mr Chancellor of the Exchequer

Agreed to 23

Page 166, line 21 [*Schedule* 7], leave out subsection (3) and insert—

- ‘(2A) An election under section 9A(2)(a) may be revoked by notice of the revocation being given to an officer of Revenue and Customs before the election takes effect.
- (3) Subject to that, an election has effect until immediately before—
- (a) the day on which another election by X takes effect, or
 - (b) the day on which a revocation event occurs,
- (whichever first occurs).’.

Mr Chancellor of the Exchequer

Agreed to 24

Page 166, line 41 [*Schedule* 7], at end insert—

- ‘(5A) Subsections (5B) and (5C) apply if a period of account of X (“the straddling period of account”) begins before, and ends on or after, the day on which—
- (a) an election under section 9A(2)(a) takes effect, or
 - (b) a revocation event occurs.
- (5B) It is to be assumed, for the purposes of this Chapter, that the straddling period of account consists of two separate periods of account—
- (a) the first beginning with the straddling period of account and ending immediately before that day, and
 - (b) the second beginning with that day and ending with the straddling period of account,
- and X’s profits and losses are to be computed accordingly for the purposes of corporation tax.
- (5C) For those purposes, it is to be assumed—
- (a) that X prepares its accounts for each of the two periods in the same currency, and otherwise on the same basis, as it prepares its accounts for the straddling period of account, and
 - (b) that if the accounts for the straddling period of account, in accordance with generally accepted accounting practice, identify a currency as X’s

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functional currency, the accounts for each of the two periods do likewise.’.

Mr Chancellor of the Exchequer

Agreed to **25**

Page **167**, line **28** [*Schedule 7*], leave out from ‘but’ to end of line 37 and insert ‘for a change in the company’s functional currency (within the meaning of section 17(4) of that Act) as between—

- (a) the period of account of the company in which the gain or loss arises, and
- (b) a period of account of the company ending in the 12 months immediately preceding that period.’.

Mr Chancellor of the Exchequer

Agreed to **26**

Page **167**, line **44** [*Schedule 7*], leave out from ‘but’ to end of line 9 on page 168 and insert ‘for a change in the company’s functional currency (within the meaning of section 17(4) of that Act) as between—

- (a) the period of account of the company in which the gain or loss arises, and
 - (b) a period of account of the company ending in the 12 months immediately preceding that period.’.
-

Mr Chancellor of the Exchequer

Agreed to **27**

Page **168**, line **14** [*Schedule 7*], at end insert—

- (c) Where an election made by a company before 27 June 2011 does not specify the day on which it takes effect, the election is to be treated as if it specified the first day of the first period of account of the company beginning after the election was made.’.
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Mr Chancellor of the Exchequer

Agreed to **28**

Page **209**, line **39** [*Schedule 13*], leave out from ‘company’ to end of line 40 and insert ‘beginning on or after the relevant day.

- (1A) “The relevant day” is the day on which, at the time of the election, the accounting period following that in which the election is made is expected to begin.
- (1B) Subsection (1C) applies if an accounting period of the company (“the straddling period”) begins before, and ends on or after, the relevant day.
- (1C) It is to be assumed, for the purposes of the Corporation Tax Acts, that the straddling period consists of two separate accounting periods—

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- (a) the first beginning with the straddling period and ending immediately before the relevant day, and
 - (b) the second beginning with that day and ending with the straddling period.
- (1D) Where for those purposes it is necessary to apportion the profits and losses for the straddling period to different parts of the period, that apportionment is to be made on a just and reasonable basis.’.

Mr Chancellor of the Exchequer

Agreed to **29**

Page **209**, line **41** [*Schedule 13*], leave out from ‘before’ to end of line 42 and insert ‘the relevant day.’.

Ed Balls
Ms Angela Eagle
Mr David Hanson
Chris Leslie
Kerry McCarthy
John Cryer

Not selected **11**

Page **226**, line **13** [*Schedule 13*], leave out ‘on the day on which this Act is passed’ and insert ‘when a full impact assessment on developing countries’ tax revenue has been laid before and approved by resolution of the House of Commons.’.

Mr Chancellor of the Exchequer

Agreed to **32**

Page **315**, line **34** [*Schedule 19*], leave out paragraph (b) and insert—
‘(b) M, or another member of the relevant group, has assets which correspond to liabilities which N, or another entity which is not a member of the group, has to M or (as the case may be) that other member (“N’s liabilities”).’.

Mr Chancellor of the Exchequer

Agreed to **33**

Page **315**, line **36** [*Schedule 19*], leave out ‘between M and N’.

Mr Chancellor of the Exchequer

Agreed to **34**

Page **315**, line **37** [*Schedule 19*], at end insert ‘, and liabilities of other members of the group to N or another entity which is not a member of the group,’.

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Mr Chancellor of the Exchequer

Agreed to **35**

- Page **316**, line **1** [*Schedule 19*], leave out paragraph (d) and insert—
- ‘(d) “the netting event occurs” if the insolvency or bankruptcy of—
- (i) M, or another member of the relevant group which has assets which correspond to a liability covered by the provision mentioned in sub-paragraph (1)(c), or
 - (ii) N, or another entity which is not a member of the group and which has such a liability,
- gives rise to the termination of any arrangements under which such a liability arises.’.

Mr Chancellor of the Exchequer

Agreed to **36**

- Page **316**, line **23** [*Schedule 19*], leave out ‘M’s assets’ and insert ‘the assets of M, or of another member of the relevant group.’.

Mr Chancellor of the Exchequer

Agreed to **37**

- Page **316**, line **24** [*Schedule 19*], at end insert—
- ‘() But if this paragraph applies in relation to more than one member of the relevant group, no part of an asset may be included in the net settlement assets of more than one such member.’.

Mr Chancellor of the Exchequer

Agreed to **38**

- Page **320**, line **11** [*Schedule 19*], leave out paragraph (b) and insert—
- ‘(b) M, or another entity within sub-paragraph (9), has assets which correspond to liabilities which N, or another entity not within that sub-paragraph, has to M or (as the case may be) to that other entity within that sub-paragraph (“N’s liabilities”),’.

Mr Chancellor of the Exchequer

Agreed to **39**

- Page **320**, line **13** [*Schedule 19*], leave out ‘between M and N’.

Mr Chancellor of the Exchequer

Agreed to **40**

- Page **320**, line **14** [*Schedule 19*], at end insert ‘, and liabilities of other entities within sub-paragraph (9) to N or another entity which is not within that sub-paragraph.’.

Mr Chancellor of the Exchequer

Agreed to **41**

- Page **320**, line **35** [*Schedule 19*], leave out paragraph (e) and insert—
- ‘(e) “the netting event occurs” if the insolvency or bankruptcy of—
- (i) M, or another entity within sub-paragraph (9) which has assets which correspond to a liability covered by the provision mentioned in sub-paragraph (8)(c), or
 - (ii) N, or another entity not within sub-paragraph (9) which has such a liability,

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gives rise to the termination of any arrangements under which such a liability arises.’.

Mr Chancellor of the Exchequer

Page **321**, line **6** [*Schedule 19*], leave out ‘M’s assets’ and insert ‘the assets of M, or of another entity within sub-paragraph (9),’.

Agreed to **42**

Mr Chancellor of the Exchequer

Page **321**, line **7** [*Schedule 19*], at end insert—

Agreed to **43**

‘() But—

- (a) if N’s net settlement liabilities include liabilities of a relevant foreign bank covered by paragraph 17(17), X% (as determined at Step 2 in paragraph 24(1)) of the assets corresponding to the liabilities of the relevant foreign bank are to be disregarded for the purposes of sub-paragraph (14), and
- (b) if sub-paragraph (12) applies in relation to more than one entity within sub-paragraph (9), no part of an asset may be included in the net settlement assets of more than one such entity.’.

Mr Chancellor of the Exchequer

Page **324**, line **38** [*Schedule 19*], leave out paragraph (b) and insert—

Agreed to **44**

‘(b) M, or another entity within sub-paragraph (9), has assets which correspond to liabilities which N, or another entity not within that sub-paragraph, has to M or, as the case may be, to that other entity within that sub-paragraph (“N’s liabilities”),’.

Mr Chancellor of the Exchequer

Page **324**, line **40** [*Schedule 19*], leave out ‘between M and N’.

Agreed to **45**

Mr Chancellor of the Exchequer

Page **324**, line **41** [*Schedule 19*], at end insert ‘, and liabilities of other entities within sub-paragraph (9) to N or another entity which is not within that sub-paragraph,’.

Agreed to **46**

Mr Chancellor of the Exchequer

Page **325**, line **15** [*Schedule 19*], leave out paragraph (e) and insert—

Agreed to **47**

‘(e) “the netting event occurs” if the insolvency or bankruptcy of—

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- (i) M, or another entity within sub-paragraph (9) which has assets which correspond to a liability covered by the provision mentioned in sub-paragraph (8)(c), or
 - (ii) N, or another entity not within sub-paragraph (9) which has such a liability,
- gives rise to the termination of any arrangements under which such a liability arises.’.

Mr Chancellor of the Exchequer

Agreed to **48**

Page **325**, line **36** [*Schedule 19*], leave out ‘M’s assets’ and insert ‘the assets of M, or of another entity within sub-paragraph (9),’.

Mr Chancellor of the Exchequer

Agreed to **49**

Page **325**, line **37** [*Schedule 19*], at end insert—

‘() But—

- (a) if N’s net settlement liabilities include liabilities of a relevant foreign bank covered by paragraph 19(17), X% (as determined at Step 2 in paragraph 24(1)) of the assets corresponding to the liabilities of the relevant foreign bank are to be disregarded for the purposes of sub-paragraph (14), and
- (b) if sub-paragraph (12) applies in relation to more than one entity within sub-paragraph (9), no part of an asset may be included in the net settlement assets of more than one such entity.’.

Mr Chancellor of the Exchequer

Agreed to **50**

Page **336**, line **33** [*Schedule 19*], at end insert—

‘Netting agreements

- (1) The Treasury may by order add to, repeal or otherwise amend any of paragraphs 16, 18(8) to (16), 20(8) to (16), 22 and 25.
- (2) An order under this paragraph may make consequential amendments of this Schedule.
- (3) An order under this paragraph may have retrospective effect in relation to—
 - (a) any chargeable period in which the order is made, or
 - (b) in the case of an order made on or before 31 December 2011, any chargeable period ending on or after 1 January 2011.
- (4) Orders under this paragraph are to be made by statutory instrument.
- (5) A statutory instrument containing an order under this paragraph may not be made unless a draft has been laid before, and approved by a resolution of, the House of Commons.’.

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Mr Chancellor of the Exchequer

Page 390, line 29 [*Schedule 25*], leave out ‘other than excluded matters’. *Agreed to 2*

Mr Chancellor of the Exchequer

Page 390, line 31 [*Schedule 25*], leave out ‘other than excluded matters’. *Agreed to 3*

Mr Chancellor of the Exchequer

Page 390, line 32 [*Schedule 25*], leave out sub-paragraphs (3) and (4). *Agreed to 4*

Mr Chancellor of the Exchequer

Page 391, line 18 [*Schedule 25*], leave out sub-paragraph (4). *Agreed to 5*

Mr Chancellor of the Exchequer

Page 393, line 15 [*Schedule 25*], at end insert— *Agreed to 6*
‘(ca) if the foreign claim relates to an agricultural levy and the steps are ones to be taken in or in relation to Scotland, the Commissioners concurrently with the Scottish Ministers;’.

Mr Chancellor of the Exchequer

Page 393, line 42 [*Schedule 25*], leave out sub-paragraph (2). *Agreed to 7*

Mr Chancellor of the Exchequer

Page 395, line 26 [*Schedule 25*], leave out sub-paragraph (3). *Agreed to 8*

Bill read the third time on division, and passed.
