



House of Commons

NOTICES OF AMENDMENTS

given up to and including

Thursday 1 September 2016

New Amendments handed in are marked thus ★

☆ *Amendments which will comply with the required notice period at their next appearance*

Amendments tabled since the last publication: 180-182, NC17-NC19

CONSIDERATION OF BILL (REPORT STAGE)

FINANCE BILL, AS AMENDED

NOTE

This document includes all amendments tabled to date and includes any withdrawn amendments at the end. The amendments have been arranged in accordance with the Finance Bill Programme (No. 2) Motion to be proposed by Mr Chancellor of the Exchequer.

*NEW CLAUSES, NEW SCHEDULES AND AMENDMENTS TO CLAUSES AND SCHEDULES
RELATING TO CORPORATION TAX*

Roger Mullin
Kirsty Blackman
Philip Boswell

NC5

☆ To move the following Clause—

“Corporation tax treatment of the oil and gas industry

The Chancellor of the Exchequer shall, within six months of the passing of this Act, commission a comprehensive review of the corporation tax rates and

Finance Bill, *continued*

investment allowances applicable to companies producing oil and gas in the UK or on the UK continental shelf, and publish the report of the review.”

John McDonnell
Rebecca Long Bailey

NC10

☆ To move the following Clause—

“Review of the operation of the Patent Box

- (1) The Chancellor of the Exchequer shall, within six months of the passing of this Act, lay an independent report of the value for money provided by, and the efficacy of, the Patent Box legislation before both Houses of Parliament.
 - (2) The report shall—
 - (a) assess the size and nature of the companies taking advantage of the Patent Box legislation;
 - (b) assess the impact of the Patent Box legislation on research and innovation in the UK, including supporting evidence; and
 - (c) assess the cost effectiveness of the Patent Box legislation in incentivising research and development compared to other policy options.”
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John McDonnell
Rebecca Long Bailey

NC11

☆ To move the following Clause—

“Assessment of taxation regime for securitisation companies

The Chancellor of the Exchequer shall, within six months of the passing of this Act, commission an independent assessment of the efficacy of the taxation regime to which securitisation companies are subject and lay the assessment before both Houses of Parliament.”

Tim Farron
Tom Brake

177

☆ Page **87**, line **6**, leave out Clause 44

Finance Bill, *continued*

John McDonnell
Rebecca Long Bailey

162

☆ Page 87, line 8, leave out Clause 45

Mr Chancellor of the Exchequer

152

☆ Schedule 9, page 391, leave out lines 20 to 22 and insert—

“23 (1) Section 357GE (other interpretation) is amended as follows.

(2) In subsection (1)—

(a) at the appropriate place insert—

““payment” includes payment in money’s worth.”, and

(b) omit the definition of “qualifying residual profit”.

(3) After subsection (1) insert—

“(1A) In Chapters 3 and 4 of this Part “qualifying residual profit” of a trade, in relation to any accounting period, is the amount obtained by the application of Steps 1 to 4 in section 357C or (as the case may be) section 357DA in relation to the trade for the accounting period.””

Mr Chancellor of the Exchequer

153

☆ Schedule 9, page 391, line 27, after “357A(11)” insert—

“() in the entry for “qualifying residual profit of a trade (in Part 8A)”, in the left hand column, after “in” insert “Chapters 3 and 4 of”,”

Mr Chancellor of the Exchequer

1

Schedule 10, page 393, line 26, leave out “permanent establishment of a multinational company” and insert “multinational company’s permanent establishment in the United Kingdom”

Mr Chancellor of the Exchequer

2

Schedule 10, page 402, line 24, at end insert—

“() Section 259CBA contains definitions of certain terms used in section 259CB.”

Mr Chancellor of the Exchequer

3

Schedule 10, page 404, line 12, at end insert—

“(2A) So far as the excess arises by reason of a relevant debt relief provision, it is to be taken not to arise by reason of the terms, or any other feature, of the financial instrument (whether or not it would have arisen by reason of the terms, or any other feature, of the financial instrument regardless of the relevant debt relief provision).”

4 Consideration of Bill (Report Stage): 1 September 2016

Finance Bill, *continued*

- Mr Chancellor of the Exchequer 4
Schedule 10, page 404, line 13, leave out “For” and insert “Subject to that and subsection (6A), for”
- Mr Chancellor of the Exchequer 5
Schedule 10, page 404, line 15, after “well” insert “as the terms, or any other feature, of the financial instrument”
- Mr Chancellor of the Exchequer 6
Schedule 10, page 404, line 22, leave out “subsection (4)” insert “subsections (4) and (4A)”
- Mr Chancellor of the Exchequer 7
Schedule 10, page 404, line 48, at end insert—
“(4A) Where the relevant assumption in subsection (4)(c) applies in relation to a payee the following provisions are to be disregarded in relation to that payee for the purposes of subsection (3)(b)—
(a) section 441 of CTA 2009 (loan relationships for unallowable purposes);
(b) section 690 of that Act (derivative contracts for unallowable purposes);
(c) Part 4 (transfer pricing);
(d) this Part;
(e) Part 7 (tax treatment of financing costs and income).”
- Mr Chancellor of the Exchequer 8
Schedule 10, page 405, line 5, leave out “For” and insert “Subject to subsection (6A), for”
- Mr Chancellor of the Exchequer 9
Schedule 10, page 405, line 6, at end insert “as the terms, or any other feature, of the financial instrument”
- Mr Chancellor of the Exchequer 10
Schedule 10, page 405, line 9, at end insert—
“(6A) For the purposes of this section disregard—
(a) any excess or part of an excess mentioned in subsection (2), and
(b) any under-taxed amount,
that arises as a result of a payee being a relevant investment fund (see section 259NZA).”
- Mr Chancellor of the Exchequer 11
Schedule 10, page 405, leave out lines 10 to 35

Finance Bill, *continued*

Mr Chancellor of the Exchequer

12

Schedule 10, page 406, line 7, at end insert—

- () See section 259CBA for the meaning of “permitted taxable period”, “relevant debt relief provision” and “under taxed”.

Mr Chancellor of the Exchequer

13

Schedule 10, page 406, line 7, at end insert—

“259CBA Interpretation of section 259CB

- (1) This section has effect for the purposes of section 259CB.
- (2) A taxable period of a payee is “permitted” in relation to an amount of ordinary income that arises as a result of the payment or quasi-payment if—
 - (a) the period begins before the end of 12 months after the end of the payment period, or
 - (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.
- (3) Each of these is a “relevant debt relief provision”—
 - (a) section 322 of CTA 2009 (release of debts: cases where credits not required to be brought into account),
 - (b) section 357 of that Act (insolvent creditors),
 - (c) section 358 of that Act (exclusion of credits on release of connected companies’ debts: general),
 - (d) section 359 of that Act (exclusion of credits on release of connected companies’ debts during creditor’s insolvency),
 - (e) section 361C of that Act (the equity-for-debt exception),
 - (f) section 361D of that Act (corporate rescue: debt released shortly after acquisition), and
 - (g) section 362A of that Act (corporate rescue: debt released shortly after connection arises).
- (4) An amount of ordinary income of a payee, for a permitted taxable period, is “under taxed” if the highest rate at which tax is charged on the taxable profits of the payee in which the amount is included, taking into account on a just and reasonable basis the effect of any credit for underlying tax, is less than the payee’s full marginal rate for that period.
- (5) The payee’s “full marginal rate” means the highest rate at which the tax that is chargeable on the taxable profits mentioned in subsection (4) could be charged on taxable profits, of the payee for the permitted taxable period, which include ordinary income that arises from, or in connection with, a financial instrument.
- (6) A “credit for underlying tax” means a credit or relief given to reflect tax charged on profits that are wholly or partly used to fund (directly or indirectly) the payment or quasi-payment.”

Mr Chancellor of the Exchequer

14

Schedule 10, page 407, line 42, at end insert—

- () Section 259DCA contains definitions of certain terms used in section 259DC.”

6 Consideration of Bill (Report Stage): 1 September 2016

Finance Bill, *continued*

- Mr Chancellor of the Exchequer 15
Schedule 10, page 410, line 31, leave out “For” and insert “Subject to subsection (8), for”
- Mr Chancellor of the Exchequer 16
Schedule 10, page 410, line 40, leave out “subsection (4)” and insert “subsections (4) and (4A)”
- Mr Chancellor of the Exchequer 17
Schedule 10, page 411, line 16, at end insert—
“(4A) Where the relevant assumption in subsection (4)(c) applies in relation to a payee the following provisions are to be disregarded in relation to that payee for the purposes of subsection (3)(b)—
(a) section 441 of CTA 2009 (loan relationships for unallowable purposes);
(b) Part 4 (transfer pricing);
(c) this Part;
(d) Part 7 (tax treatment of financing costs and income).”
- Mr Chancellor of the Exchequer 18
Schedule 10, page 411, line 22, leave out “For” and insert “Subject to subsection (8), for”
- Mr Chancellor of the Exchequer 19
Schedule 10, page 411, line 32, after “any” insert “excess or”
- Mr Chancellor of the Exchequer 20
Schedule 10, page 411, line 35, at end insert “or that arises as a result of a payee being a relevant investment fund (see section 259NZA)”
- Mr Chancellor of the Exchequer 21
Schedule 10, page 411, line 36, leave out from beginning to end of line 12 on page 412
- Mr Chancellor of the Exchequer 22
Schedule 10, page 412, line 31, at end insert—
“() See section 259DCA for the meaning of “permitted taxable period” and “under taxed”.”

Finance Bill, *continued*

Mr Chancellor of the Exchequer 23

Schedule 10, page 412, line 31, at end insert—

“259DCA Interpretation of section 259DC

- (1) This section has effect for the purposes of section 259DC.
- (2) A taxable period of a payee is “permitted” in relation to an amount of ordinary income that arises as a result of the payment or quasi-payment if—
 - (a) the period begins before the end of 12 months after the end of the payment period, or
 - (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.
- (3) An amount of ordinary income of a payee, for a permitted taxable period, is “under taxed” if the highest rate at which tax is charged on the taxable profits of the payee in which the amount is included, taking into account on a just and reasonable basis the effect of any credit for underlying tax, is less than the payee’s full marginal rate for that period.
- (4) The payee’s “full marginal rate” means the highest rate at which the tax that is chargeable on the taxable profits mentioned in subsection (3) could be charged on taxable profits, of the payee for the permitted taxable period, which include ordinary income that arises from, or in connection with, a financial instrument.
- (5) A “credit for underlying tax” means a credit or relief given to reflect tax charged on profits that are wholly or partly used to fund (directly or indirectly) the payment or quasi-payment.”

Mr Chancellor of the Exchequer 24

Schedule 10, page 412, line 43, leave out “not so treated for the purposes of tax charged on” and insert “brought into account by”

Mr Chancellor of the Exchequer 25

Schedule 10, page 412, line 44, leave out “because that person brings the substitute payment into account”

Mr Chancellor of the Exchequer 26

Schedule 10, page 417, leave out lines 21 to 32

Mr Chancellor of the Exchequer 27

Schedule 10, page 418, line 15, after “income” insert “of the payer for an accounting period”

Mr Chancellor of the Exchequer 28

Schedule 10, page 418, line 18, after “payer” insert “for that period”

8 Consideration of Bill (Report Stage): 1 September 2016

Finance Bill, *continued*

- Mr Chancellor of the Exchequer 29
Schedule 10, page 418, line 20, after “payer” insert “for a permitted taxable period”
- Mr Chancellor of the Exchequer 154
☆ Schedule 10, page 418, line 21, at end insert—
“() A taxable period of an investor is “permitted” for the purposes of paragraph (b) of subsection (4) if—
(a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
(b) where the period begins after that—
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”
- Mr Chancellor of the Exchequer 31
Schedule 10, page 419, line 45, after “payer” insert “for a permitted taxable period”
- Mr Chancellor of the Exchequer 155
☆ Schedule 10, page 419, line 47, at end insert—
“() A taxable period of an investor is “permitted” for the purposes of subsection (9) if—
(a) the period begins before the end of 12 months after the end of the payment period, or
(b) where the period begins after that—
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”
- Mr Chancellor of the Exchequer 33
Schedule 10, page 420, line 8, leave out “permanent establishment of a multinational company” and insert “multinational company’s permanent establishment in the United Kingdom”
- Mr Chancellor of the Exchequer 34
Schedule 10, page 420, line 10, leave out from “counteracts” to “by” in line 11 and insert “such deductions”
- Mr Chancellor of the Exchequer 35
Schedule 10, page 420, line 15, leave out “, “the parent jurisdiction” and “the PE jurisdiction”” and insert “and “the parent jurisdiction””

Finance Bill, *continued*

Mr Chancellor of the Exchequer	36
Schedule 10, page 420, line 19, leave out from “deduction” to end of line 23	
Mr Chancellor of the Exchequer	37
Schedule 10, page 420, line 28, leave out “D” and insert “C”	
Mr Chancellor of the Exchequer	38
Schedule 10, page 420, line 32, after “territory” insert “outside the United Kingdom”	
Mr Chancellor of the Exchequer	39
Schedule 10, page 420, leave out lines 34 to 37 and insert—	
“(b) it is within the charge to corporation tax because it carries on a business in the United Kingdom through a permanent establishment in the United Kingdom.”	
Mr Chancellor of the Exchequer	40
Schedule 10, page 420, line 39, leave out “under the law of the PE jurisdiction,”	
Mr Chancellor of the Exchequer	41
Schedule 10, page 421, line 3, leave out “a taxable period” and insert “an accounting period”	
Mr Chancellor of the Exchequer	42
Schedule 10, page 421, line 3, after “period)” insert “for corporation tax purposes”	
Mr Chancellor of the Exchequer	43
Schedule 10, page 421, line 5, leave out “PE jurisdiction” and insert “United Kingdom”	
Mr Chancellor of the Exchequer	44
Schedule 10, page 421, line 8, after “for” insert “corporation”	
Mr Chancellor of the Exchequer	45
Schedule 10, page 421, leave out lines 14 to 22	
Mr Chancellor of the Exchequer	46
Schedule 10, page 421, line 23, leave out “D” and insert “C”	

Finance Bill, *continued*

- Mr Chancellor of the Exchequer **47**
- Schedule **10**, page **421**, leave out lines 25 to 33 and insert—
- “(a) the circumstances giving rise to the PE deduction will not result in—
 - (i) an increase in the taxable profits of the company for any permitted taxable period, or
 - (ii) a reduction of a loss made by the company for any permitted taxable period,for the purposes of a tax charged under the law of the parent jurisdiction, or
 - (b) those circumstances will result in such an increase or reduction for one or more permitted taxable periods, but the PE deduction exceeds the aggregate effect on taxable profits.
- (7A) “The aggregate effect on taxable profits” is the sum of—
- (a) any increases, resulting from the circumstances giving rise to the PE deduction, in the taxable profits of the company, for a permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, and
 - (b) any amounts by which a loss made by the company, for a permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, is reduced as a result of the circumstances giving rise to the PE deduction.”
- Mr Chancellor of the Exchequer **48**
- Schedule **10**, page **421**, leave out line 39 and insert “the aggregate effect on taxable profits.”
- Mr Chancellor of the Exchequer **49**
- Schedule **10**, page **421**, line **40**, leave out “subsection (7)” and insert “subsections (7) and (7A)”
- Mr Chancellor of the Exchequer **50**
- Schedule **10**, page **421**, line **46**, leave out from beginning to end of line 3 on page 422 and insert—
- “(i) a claim has been made for the period to be a permitted period for the purposes of subsections (7) and (7A), and
 - (ii) it is just and reasonable for the circumstances giving rise to the PE deduction to affect the profits or loss made for that period rather than an earlier period.”
- Mr Chancellor of the Exchequer **51**
- Schedule **10**, page **422**, leave out lines 4 to 7 and insert—
- “(10) Section 259FB contains provision for counteracting the excessive PE deduction.”
- Mr Chancellor of the Exchequer **52**
- Schedule **10**, page **422**, line **9**, leave out from “where the United Kingdom is the PE jurisdiction” and insert “of the excessive PE deduction”

Finance Bill, *continued*

Mr Chancellor of the Exchequer	53
Schedule 10, page 422, leave out lines 10 and 11	
Mr Chancellor of the Exchequer	54
Schedule 10, page 422, line 24, after “income” insert “of the company for an accounting period”	
Mr Chancellor of the Exchequer	55
Schedule 10, page 422, line 26, after “company” insert “for that period”	
Mr Chancellor of the Exchequer	56
Schedule 10, page 422, line 28, after “company” insert “for a permitted taxable period”	
Mr Chancellor of the Exchequer	57
Schedule 10, page 422, line 29, at end insert—	
“() A taxable period of the company is “permitted” for the purposes of paragraph (b) of subsection (4) if—	
(a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or	
(b) where the period begins after that—	
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and	
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”	
Mr Chancellor of the Exchequer	58
Schedule 10, page 422, line 30, leave out from beginning to end of line 31 on page 423	
Mr Chancellor of the Exchequer	59
Schedule 10, page 425, line 42, leave out from beginning to end of line 30 on page 426	
Mr Chancellor of the Exchequer	156
☆ Schedule 10, page 426, line 30, at end insert—	
“(4A) A relevant amount of the excess is to be taken (so far as would not otherwise be the case) to arise as mentioned in subsection (1)(b) where—	
(a) a payee is a hybrid entity,	
(b) there is no territory—	
(i) where that payee is resident for the purposes of a tax charged under the law of that territory, or	
(ii) under the law of which ordinary income arises to that payee, by reason of the payment or quasi-payment, for the purposes of a tax	

Finance Bill, *continued*

that is charged on that payee by virtue of that payee having a permanent establishment in that territory, and

- (c) no income arising to that payee, by reason of the payment or quasi-payment, is brought into account in calculating chargeable profits for the purposes of the CFC charge or a foreign CFC charge.
- (4B) For the purposes of subsection (4A), the “relevant amount” of the excess is the lesser of—
- (a) the amount of the excess, and
 - (b) an amount equal to the amount of ordinary income that it is reasonable to suppose would, by reason of the payment or quasi-payment, arise to the payee for corporation tax purposes, if—
 - (i) the payee were a company, and
 - (ii) the payment or quasi-payment were made in connection with a trade carried on by the payee in the United Kingdom through a permanent establishment in the United Kingdom.
- (4C) In subsection (4A)(c) “chargeable profits”—
- (a) in relation to the CFC charge, has the same meaning as in Part 9A (see section 371VA), and
 - (b) in relation to a foreign CFC charge, means the concept (by whatever name known) corresponding to chargeable profits within the meaning of that Part.”

Mr Chancellor of the Exchequer	61
Schedule 10, page 430, line 7, after “quasi-payments” insert “, where the payer is within the charge to corporation tax,”	
Mr Chancellor of the Exchequer	62
Schedule 10, page 430, line 10, leave out “or a payee”	
Mr Chancellor of the Exchequer	63
Schedule 10, page 430, leave out lines 19 to 25	
Mr Chancellor of the Exchequer	64
Schedule 10, page 431, line 7, leave out from “period” to end of line 10	
Mr Chancellor of the Exchequer	65
Schedule 10, page 431, leave out lines 38 to 43 and insert—	
“(11) Section 259HC contains provision for the counteraction of the multinational payee deduction/non-inclusion mismatch.”	

Finance Bill, *continued*

Mr Chancellor of the Exchequer	66
Schedule 10, page 432, line 10, after “subsection (1)(b)” insert “—	
(a) where the law of a PE jurisdiction in relation to a payee that is a multinational company makes no provision for charging tax on any companies, so much of the excess as arises as a result is to be taken not to arise by reason of that payee being a multinational company, but	
(b) subject to that,”	
Mr Chancellor of the Exchequer	67
Schedule 10, page 432, line 11, after “well” insert “as one or more payees being multinational companies”	
Mr Chancellor of the Exchequer	68
Schedule 10, page 432, line 27, leave out from “Counteraction” to end of line 28 and insert “of the multinational payee deduction/non-inclusion mismatch”	
Mr Chancellor of the Exchequer	69
Schedule 10, page 432, leave out lines 29 and 30	
Mr Chancellor of the Exchequer	70
Schedule 10, page 432, line 35, leave out from beginning to end of line 48 on page 433	
Mr Chancellor of the Exchequer	71
Schedule 10, page 436, line 27, after “is” insert “(in substance)”	
Mr Chancellor of the Exchequer	72
Schedule 10, page 436, line 30, after “income” insert “of the investor for an accounting period”	
Mr Chancellor of the Exchequer	73
Schedule 10, page 436, line 38, after “income” insert “of the investor for an accounting period”	
Mr Chancellor of the Exchequer	74
Schedule 10, page 436, line 40, leave out “in the hybrid entity” and insert “for that period”	
Mr Chancellor of the Exchequer	75
Schedule 10, page 436, line 42, after “entity” insert “for a permitted taxable period”	

Finance Bill, *continued*

- Mr Chancellor of the Exchequer **76**
- Schedule **10**, page **436**, line **43**, at end insert—
- “() A taxable period of the hybrid entity is “permitted” for the purposes of paragraph (b) of subsection (8) if—
- (a) the period begins before the end of 12 months after the end of the accounting period of the investor mentioned in paragraph (a) of that subsection, or
- (b) where the period begins after that—
- (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
- (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”
- Mr Chancellor of the Exchequer **77**
- Schedule **10**, page **437**, line **7**, after “income” insert “of the hybrid entity for the hybrid entity deduction period”
- Mr Chancellor of the Exchequer **78**
- Schedule **10**, page **437**, line **25**, after “income” insert “of the hybrid entity for the hybrid entity deduction period”
- Mr Chancellor of the Exchequer **79**
- Schedule **10**, page **438**, line **10**, after “is” insert “(in substance)”
- Mr Chancellor of the Exchequer **80**
- Schedule **10**, page **438**, line **13**, after “income” insert “of the hybrid entity for an accounting period”
- Mr Chancellor of the Exchequer **81**
- Schedule **10**, page **438**, line **21**, after “income” insert “of the hybrid entity for an accounting period”
- Mr Chancellor of the Exchequer **82**
- Schedule **10**, page **438**, line **23**, after “entity” insert “for that period”
- Mr Chancellor of the Exchequer **83**
- Schedule **10**, page **438**, line **25**, after “entity” insert “for a permitted taxable period”

Finance Bill, *continued*

- Mr Chancellor of the Exchequer 84
- Schedule 10, page 438, line 27, at end insert—
- “() A taxable period of an investor is “permitted” for the purposes of paragraph (b) of subsection (10) if—
- (a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
 - (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”
- Mr Chancellor of the Exchequer 85
- Schedule 10, page 439, line 5, leave out from second “company” to end of line 7
- Mr Chancellor of the Exchequer 86
- Schedule 10, page 439, line 7, at end insert—
- “() Section 259JBA contains provision that counteracts the mismatch where the company is a multinational company and the United Kingdom is the parent jurisdiction.”
- Mr Chancellor of the Exchequer 87
- Schedule 10, page 439, line 10, leave out “fully”
- Mr Chancellor of the Exchequer 88
- Schedule 10, page 439, line 12, leave out “section 259JB” and insert “section 259JBA”
- Mr Chancellor of the Exchequer 89
- Schedule 10, page 440, leave out lines 10 to 15 and insert—
- “(6) The following provisions provide for the counteraction of the dual territory double deduction amount—
- (a) section 259JB (cases where a company is dual resident),
 - (b) section 259JBA (cases where a company is a relevant multinational and the United Kingdom is the parent jurisdiction), and
 - (c) section 259JC (cases where a company is a relevant multinational, the United Kingdom is the PE jurisdiction and the amount is not counteracted in the parent jurisdiction).”
- Mr Chancellor of the Exchequer 90
- Schedule 10, page 440, line 18, leave out “or the UK is the parent jurisdiction”
- Mr Chancellor of the Exchequer 91
- Schedule 10, page 440, line 20, leave out “as a result” and insert “by reason”

Finance Bill, *continued*

Mr Chancellor of the Exchequer	92
Schedule 10, page 440, line 21, leave out from second “company” to end of line 24	
Mr Chancellor of the Exchequer	93
Schedule 10, page 440, line 39, leave out “or relevant multinational company”	
Mr Chancellor of the Exchequer	94
Schedule 10, page 440, line 45, leave out “or relevant multinational company”	
Mr Chancellor of the Exchequer	95
Schedule 10, page 441, line 2, leave out “or relevant multinational company”	
Mr Chancellor of the Exchequer	96
Schedule 10, page 441, line 8, after “is” insert “(in substance)”	
Mr Chancellor of the Exchequer	97
Schedule 10, page 441, line 11, after “company” insert “for an accounting period”	
Mr Chancellor of the Exchequer	98
Schedule 10, page 441, line 19, after “income” insert “of the company for an accounting period”	
Mr Chancellor of the Exchequer	99
Schedule 10, page 441, line 21, after “company” insert “for that period”	
Mr Chancellor of the Exchequer	100
Schedule 10, page 441, line 23, after “company” insert “for a permitted taxable period”	
Mr Chancellor of the Exchequer	101
Schedule 10, page 441, line 25, at end insert—	
“() A taxable period of the company is “permitted” for the purposes of paragraph (b) of subsection (8) if—	
(a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or	
(b) where the period begins after that—	
(i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and	
(ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”	

Finance Bill, *continued*

Mr Chancellor of the Exchequer

102

Schedule 10, page 441, line 25, at end insert—

“259JBA Counteraction where mismatch arises because of a relevant multinational and the UK is the parent jurisdiction

- (1) This section applies where—
 - (a) the dual territory double deduction amount arises by reason of the company being a relevant multinational company, and
 - (b) the United Kingdom is the parent jurisdiction.
- (2) If some or all of the dual territory double deduction amount is (in substance) deducted (“the impermissible overseas deduction”), for the purposes of a tax under the law of a territory outside the United Kingdom, from the income of any person, for any taxable period, that is not dual inclusion income of the company—
 - (a) the dual territory double deduction amount that may be deducted, for corporation tax purposes, from the company’s income for the deduction period is reduced by the amount of the impermissible overseas deduction, and
 - (b) such just and reasonable adjustments (if any) as are required to give effect to that reduction, for corporation tax purposes, are to be made.
- (3) Any adjustment required to be made under subsection (2) may be made (whether or not by an officer of Revenue and Customs)—
 - (a) by way of an assessment, the modification of an assessment, amendment or disallowance of a claim, or otherwise, and
 - (b) despite any time limit imposed by or under any enactment.
- (4) In this section “dual inclusion income” of the company means an amount that is both—
 - (a) ordinary income of the company for an accounting period for corporation tax purposes, and
 - (b) ordinary income of the company for a permitted taxable period for the purposes of a tax charged under the law of a territory outside the United Kingdom.
- (5) A taxable period is “permitted” for the purposes of paragraph (b) of subsection (4) if—
 - (a) the period begins before the end of 12 months after the end of the accounting period of the company mentioned in paragraph (a) of that subsection, or
 - (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”

Mr Chancellor of the Exchequer

103

Schedule 10, page 441, line 26, leave out from “of” to end of line 27 and insert “a relevant multinational and is not counteracted in the parent jurisdiction”

Finance Bill, *continued*

Mr Chancellor of the Exchequer	104
Schedule 10 , page 441 , leave out lines 32 to 48 and insert— “(c) it is reasonable to suppose that no provision of the law of the parent jurisdiction that is equivalent to section 259JBA applies.”	
Mr Chancellor of the Exchequer	105
Schedule 10 , page 442 , line 1 , leave out “restricted deduction” and insert “dual territory double deduction amount”	
Mr Chancellor of the Exchequer	106
Schedule 10 , page 442 , line 5 , leave out “restricted deduction” and insert “dual territory double deduction amount”	
Mr Chancellor of the Exchequer	107
Schedule 10 , page 442 , line 15 , leave out “restricted deduction” and insert “dual territory double deduction amount”	
Mr Chancellor of the Exchequer	108
Schedule 10 , page 442 , line 31 , after “is” insert “(in substance)”	
Mr Chancellor of the Exchequer	109
Schedule 10 , page 442 , line 34 , at end insert “of the company for an accounting period”	
Mr Chancellor of the Exchequer	110
Schedule 10 , page 442 , line 42 , after “income” insert “of the company for an accounting period”	
Mr Chancellor of the Exchequer	111
Schedule 10 , page 442 , line 44 , after “company” insert “for that period”	
Mr Chancellor of the Exchequer	112
Schedule 10 , page 442 , line 46 , after “company” insert “for a permitted taxable period”	

Finance Bill, *continued*

- Mr Chancellor of the Exchequer **113**
- Schedule 10, page 442, line 48, at end insert—
- “() A taxable period of the company is “permitted” for the purposes of paragraph (b) of subsection (9) if—
- (a) the period begins before the end of 12 months after the end of the accounting period mentioned in paragraph (a) of that subsection, or
 - (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period in relation to the amount of ordinary income, and
 - (ii) it is just and reasonable for the amount of ordinary income to arise for that taxable period rather than an earlier period.”
- Mr Chancellor of the Exchequer **157**
- ☆ Schedule 10, page 443, line 11, at end insert—
- “() Section 259KAA defines “dual territory double deduction”, “excessive PE deduction” and “PE jurisdiction”.”
- Mr Chancellor of the Exchequer **115**
- Schedule 10, page 444, line 7, leave out “subsection (7)” and insert “section 259KAA”
- Mr Chancellor of the Exchequer **116**
- Schedule 10, page 444, line 11, leave out “section 259FA(8)” and insert “section 259KAA”
- Mr Chancellor of the Exchequer **117**
- Schedule 10, page 444, leave out lines 14 to 19
- Mr Chancellor of the Exchequer **158**
- ☆ Schedule 10, page 444, leave out lines 20 to 42 and insert—
- “(8) Condition E is that it is reasonable to suppose—
- (a) where subsection (6)(a) applies, that no provision of any of Chapters 3 to 5 or 7 to 10 nor any equivalent provision under the law of a territory outside the United Kingdom applies, or will apply, in relation to the tax treatment of any person in respect of the mismatch payment, or
 - (b) where subsection (6)(b) applies, that no provision of Chapter 6 nor any equivalent provision under the law of a territory outside the United Kingdom applies, or will apply, in relation to the tax treatment of the company in relation to which the excessive PE deduction arises.
- (9) Condition F is that—
- (a) subsection (6)(a) applies and it is reasonable to suppose that a provision of any of Chapters 3 to 5 or 7 to 10, or an equivalent provision under the law of a territory outside the United Kingdom, would apply in relation to the tax treatment of P if—
 - (i) P were the payer in relation to the mismatch payment,
 - (ii) P were a payee in relation to the mismatch payment, or

Finance Bill, *continued*

- (iii) where the relevant mismatch is a hybrid payee deduction/non-inclusion mismatch or a hybrid entity double deduction amount, P were an investor in the hybrid entity concerned, or
- (b) the relevant mismatch is an excessive PE deduction.”

Mr Chancellor of the Exchequer

159

☆ Schedule 10, page 445, line 20, at end insert—

“259KAA Meaning of “dual territory double deduction”, “excessive PE deduction” and “PE jurisdiction”

- (1) This section has effect for the purposes of this Chapter.
- (2) A “dual territory double deduction” means an amount that can be deducted by a company both—
 - (a) from income for the purposes of a tax charged under the law of one territory, and
 - (b) from income for the purposes of a tax charged under the law of another territory.
- (3) A “PE deduction” is an amount that—
 - (a) may (in substance) be deducted from a company’s income for the purposes of calculating the company’s taxable profits, for a taxable period, for the purposes of a tax that is charged on the company, under the law of a territory (“the PE jurisdiction”), by virtue of the company having a permanent establishment in that territory, and
 - (b) is in respect of a transfer of money or money’s worth, from the company in the PE jurisdiction to the company in another territory (“the parent jurisdiction”) in which it is resident for the purposes of a tax, that—
 - (i) is actually made, or
 - (ii) is (in substance) treated as being made for tax purposes.
- (4) A PE deduction is “excessive” so far as it exceeds the sum of—
 - (a) any increases, resulting from the circumstances giving rise to the PE deduction, in the taxable profits of the company, for a permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, and
 - (b) any amounts by which a loss made by the company, for a permitted taxable period, for the purposes of a tax charged under the law of the parent jurisdiction, is reduced as a result of the circumstances giving rise to the PE deduction.
- (5) A taxable period of the company is “permitted” for the purposes of subsection (4) if—
 - (a) the period begins before the end of 12 months after the end of the taxable period mentioned in subsection (3)(a), or
 - (b) where the period begins after that—
 - (i) a claim has been made for the period to be a permitted period for the purposes of subsection (4), and
 - (ii) it is just and reasonable for the circumstances giving rise to the PE deduction to affect the profits or loss made for that period rather than an earlier period.”

Finance Bill, *continued*

- Mr Chancellor of the Exchequer 119
 Schedule 10, page 445, line 45, leave out “section 259FA(4)(b)” and insert
 “section 259KAA(3)(b)”
- Mr Chancellor of the Exchequer 120
 Schedule 10, page 446, line 4, leave out “section 259FA(4)(b)” and insert “section
 259KAA(3)(b)”
- Mr Chancellor of the Exchequer 121
 Schedule 10, page 446, line 28, leave out “section 259FA(4)(b)” and insert
 “section 259KAA(3)(b)”
- Mr Chancellor of the Exchequer 122
 Schedule 10, page 446, line 32, leave out “section 259FA(4)(b)” and insert
 “section 259KAA(3)(b)”
- Mr Chancellor of the Exchequer 123
 Schedule 10, page 450, line 19, at end insert—

“Relevant investment funds

259NZA Meaning of “relevant investment fund”

- (1) “Relevant investment fund” means—
- (a) an open-ended investment company within the meaning of section 613 of CTA 2010,
 - (b) an authorised unit trust within the meaning of section 616 of that Act, or
 - (c) an offshore fund within the meaning of section 354 of this Act (see section 355),
- which meets the genuine diversity of ownership condition (whether or not a clearance has been given to that effect).
- (2) “The genuine diversity of ownership condition” means—
- (a) in the case of an offshore fund, the genuine diversity of ownership condition in regulation 75 of the Offshore Funds (Tax) Regulations 2009 (S.I. 2009/3001), and
 - (b) in the case of an open-ended investment company or an authorised unit trust, the genuine diversity of ownership condition in regulation 9A of the Authorised Investment Funds (Tax) Regulations 2006 (S.I. 2006/964).”

- Mr Chancellor of the Exchequer 124
 Schedule 10, page 452, leave out lines 19 to 22 and insert—
- “(b) for the purposes of influencing the conduct of U’s affairs—
- (i) P is able to secure that T acts in accordance with P’s wishes,
 - (ii) T can reasonably be expected to act, or typically acts, in accordance with P’s wishes,
 - (iii) T is able to secure that P acts in accordance with T’s wishes, or

Finance Bill, *continued*

- (iv) P can reasonably be expected to act, or typically acts, in accordance with T's wishes,"

Mr Chancellor of the Exchequer **125**

Schedule 10, page 454, line 16, at end insert—
 ““relevant investment fund” has the meaning given by section 259NZA;”

Mr Chancellor of the Exchequer **126**

Schedule 10, page 456, line 14, at end insert—

“dual territory double deduction (in Chapter 11 of Part 6A)	section 259KAA”
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Mr Chancellor of the Exchequer **127**

Schedule 10, page 456, line 16, at end insert—

“excessive PE deduction (in Chapter 11 of Part 6A)	section 259KAA”
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Mr Chancellor of the Exchequer **128**

Schedule 10, page 458, leave out lines 3 and 4

Mr Chancellor of the Exchequer **160**

☆ Schedule 10, page 458, line 8, at end insert—

“PE jurisdiction (in Chapter 11 of Part 6A)	section 259KAA(3)(a)”
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Mr Chancellor of the Exchequer **129**

Schedule 10, page 458, line 13, at end insert—

“relevant investment fund (in Part 6A)	section 259NZA”
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Mr Chancellor of the Exchequer **130**

Schedule 10, page 459, leave out lines 31 to 42

Finance Bill, *continued*

Mr Chancellor of the Exchequer

131

Schedule 10, page 459, line 43, after “paragraphs” insert “19,”

*NEW CLAUSES, NEW SCHEDULES AND AMENDMENTS TO CLAUSES AND SCHEDULES
RELATING TO TAX AVOIDANCE AND EVASION*

Roger Mullin
Kirsty Blackman
Philip Boswell

NC7

☆ To move the following Clause—

“Review of tax treatment of Scottish Limited Partnerships

- (1) The Chancellor of the Exchequer must undertake a review of the impact of the tax regime which applies to Scottish Limited Partnerships on levels of tax avoidance and evasion by such partnerships, and lay the report of the review before both Houses of Parliament within six months of the passing of this Act.
- (2) The review must take into account the views of the Scottish Government, HMRC and interested charities.”

John McDonnell
Rebecca Long Bailey

NC12

☆ To move the following Clause—

“Report on the impact of the criminal offences relating to offshore income, assets and activities

- (1) The Chancellor of the Exchequer shall, within one year of the coming into force of the provisions in TMA 1970 relating to criminal offences relating to offshore income, assets and activities introduced by section 165 of this Act publish a report on the impact of the introduction of these offences.
 - (2) The report must include, but need not be limited to, information about—
 - (a) the number of persons who have been charged with offences under each of sections 106B, 106C and 106D of TMA 1970;
 - (b) the number of persons who have been convicted of any such offence;
 - (c) the average fine imposed; and
 - (d) the number of people upon whom a custodial sentence has been imposed for any such offence.”
-

Finance Bill, *continued*

John McDonnell
Rebecca Long Bailey

NC13

☆ To move the following Clause—

“Report into the UK Tax Gap

- (1) The Chancellor of the Exchequer shall, within one year of the passing of this Act, prepare and publish a report, in consultation with stakeholders, on the UK Tax Gap.
- (2) The report must include the following—
 - (a) details of the UK Tax Gap (including individual breakdowns for figures relating to tax avoidance and tax evasion) for the financial years—
 - (i) 2015-16;
 - (ii) 2014-15;
 - (iii) 2013-14;
 - (iv) 2012-13; and
 - (v) 2011-12;
 - (b) a detailed summary of the model used by HMRC for estimating the UK Tax Gap;
 - (c) an assessment of the efficacy of HMRC’s performance in relation dealing with the UK Tax Gap, including—
 - (i) a breakdown of specific HMRC departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap;
 - (ii) details of the numbers of staff in each of the years listed in paragraph (a) who are located within departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap;
 - (iii) details of the budgets allocated to departments or units dealing with investigation above; and
 - (iv) details of the numbers of prosecutions or the amount of tax recovered in each financial year listed in paragraph (a) as a result of the work of HMRC departments or units dealing with investigation and enforcement matters in relation to the UK Tax Gap in those financial years.
 - (d) a review of the impact on tax revenues of requiring non-public organisations involved in public procurement processes to—
 - (i) be registered in the UK for tax purposes;
 - (ii) have paid UK tax for a period of at least five years prior to the date the relevant contract is awarded;
 - (iii) publish full details of beneficial ownership for the period of five years prior to the date the relevant contract is awarded; and
 - (iv) provide company accounts (including those of any beneficial owners) for the period of five years prior to the date the relevant contract is awarded.
 - (e) a comprehensive assessment of the efficacy of the General Anti Abuse Rule in discouraging tax avoidance;

Finance Bill, *continued*

- (f) an assessment of the impact on tax revenues of introducing a set of minimum standards in relation to tax transparency for all British crown dependencies and overseas territories including (but not limited to)—
 - (i) placing a statutory duty on British crown dependencies and overseas territories to observe a system of good governance and practice in relation to tax enforcement; and
 - (ii) requiring British crown dependencies and overseas territories to maintain a public register of owners, directors, major shareholders and beneficial owners;
- (g) an assessment of the impact on tax revenues of establishing a public register of all trusts located within the UK, British Crown Dependencies and overseas territories, including but not limited to—
 - (i) details of the names of beneficiaries to such trusts;
 - (ii) details of the addresses of beneficiaries to such trusts;
 - (iii) details of assets held by such trusts;
 - (iv) details of any trustees registered within the UK who have transferred that main residence to non-UK jurisdictions;
 - (v) details of tax avoidance schemes involving trusts which are currently disclosed to the HMRC.
- (3) For the purposes of this section, the “UK Tax Gap” means the difference in any financial year between the amount of tax HMRC should be entitled to collect and the tax actually collected in that financial year which derives from tax avoidance and tax evasion.”

Mr Chancellor of the Exchequer

136

Clause 155, page 241, leave out lines 10 to 18 and insert—

- “(d) a designated HMRC officer giving the taxpayer a pooling notice or a notice of binding under Schedule 43A which—
 - (i) specifies the arrangements and the tax advantage which are specified in the provisional counteraction notice, and
 - (ii) specifies the notified adjustments (or lesser adjustments) as the counteraction that the officer considers ought to be taken;”

Mr Chancellor of the Exchequer

137

Clause 155, page 241, line 29, after “the” insert “pooling notice or”

John McDonnell
Rebecca Long Bailey

167

☆ Clause 163, page 293, line 25, leave out “may” and insert “must”

Finance Bill, *continued*

John McDonnell
Rebecca Long Bailey

168

- ☆ Clause **163**, page **293**, line **41**, leave out “may” and insert ”must”

John McDonnell
Rebecca Long Bailey

169

- ☆ Clause **163**, page **293**, line **43**, at end insert—
 “(4E) The Commissioners must publish the information mentioned in subsection 4 in the event of any conviction for money laundering or related offences relating to a trust.”

John McDonnell
Rebecca Long Bailey

171

- ☆ Clause **165**, page **295**, line **9**, at end insert “and that the person had an honest belief that all of the information included was true and accurate”

John McDonnell
Rebecca Long Bailey

172

- ☆ Clause **165**, page **295**, line **26**, at end insert “and that the person had an honest belief that all of the information included was true and accurate”

John McDonnell
Rebecca Long Bailey

173

- ☆ Clause **165**, page **295**, line **40**, at end insert “and that the person had an honest belief that all of the information included was true and accurate”
-

Finance Bill, *continued*

Caroline Flint
 Dame Margaret Hodge
 Stephen Kinnock
 Karin Smyth
 Mark Durkan
 Mr David Nuttall

Roger Mullin	Caroline Lucas	Mr Philip Hollobone
Patrick Grady	Gareth Thomas	Joan Ryan
Rosie Cooper	Mr Kevan Jones	Ruth Smeeth
Tommy Sheppard	Mrs Sharon Hodgson	Tom Elliott
Danny Kinahan	Chris Stephens	Dr Philippa Whitford
Mr David Lammy	Melanie Onn	Jim Dowd
Carolyn Harris	Mr Virendra Sharma	Jeff Smith
Louise Haigh	John Spellar	Barbara Keeley
Mr Roger Godsiff	Tom Blenkinsop	Rob Marris
Kate Green	Stephen Timms	Paul Blomfield
Stephen Doughty	Rebecca Long Bailey	John McDonnell
Frank Field	John Pugh	Mrs Anne-Marie Trevelyan
Meg Hillier	Dr Roberta Blackman-Woods	Nigel Mills
Stuart C. McDonald	Ian Murray	Jonathan Reynolds
Mr Pat McFadden	Mr Barry Sheerman	Liz Kendall
Dan Jarvis	Emma Reynolds	Angela Smith
Mr Chuka Umunna	Stella Creasy	Mr Adrian Bailey
Wes Streeting	Mr David Hanson	Jeremy Lefroy

145

☆ Schedule 19, page 589, line 29, at end insert—

“(6) The Treasury may by regulations require the group tax strategy to include a country-by-country report.

(7) In this paragraph “country-by-country report” has the meaning given by the Taxes (Base Erosion and Profit Shifting) (Country-by-Country Reporting) Regulations 2016.”

John McDonnell
 Rebecca Long Bailey

163

☆ Schedule 20, page 609, line 34, at end insert “or 100% of any fee paid by Q to P in respect of enabling Q to carry out offshore tax evasion or non-compliance”

John McDonnell
 Rebecca Long Bailey

164

☆ Schedule 20, page 609, line 40, at end insert “or 100% of any fee paid by Q to P in respect of enabling Q to carry out offshore tax evasion or non-compliance”.

Finance Bill, *continued*

John McDonnell
Rebecca Long Bailey

165

☆ Schedule **21**, page **618**, leave out lines 27 to 34 and insert—

70%	50%	35%
87.5%	58.75%	40%
100%	60%	40%
105%	62.5%	40%
125%	77.5%	55%
140%	85%	55%
150%	90%	60%
200%	115%	75%

John McDonnell
Rebecca Long Bailey

166

☆ Schedule **21**, page **621**, leave out lines 8 to 15 and insert—

70%	50%	35%
87.5%	58.75%	40%
100%	60%	40%
105%	62.5%	40%
125%	77.5%	55%
140%	85%	55%
150%	90%	60%
200%	115%	75%

John McDonnell
Rebecca Long Bailey

170

☆ Schedule **22**, page **627**, line **5**, leave out “10%” and insert “15%”

Finance Bill, continued

NEW CLAUSES, NEW SCHEDULES AND AMENDMENTS TO CLAUSES RELATING TO VAT ON WOMEN'S SANITARY PRODUCTS

Paula Sherriff
John McDonnell
Rebecca Long Bailey

NC4

☆ To move the following Clause—

“Assessment of revenue from VAT on women’s sanitary products

- (1) The Chancellor of the Exchequer must carry out an assessment of the revenue raised from VAT on women’s sanitary products since 1 January 2001, and lay before Parliament a report of that assessment within 12 months of this Act coming into force.
- (2) The report must include an estimate of the total revenue raised since January 2001 and provide information about government policy relating to this revenue.”

Mr Christopher Chope

140

Clause 125, page 205, line 32, leave out from “after” to end of subsection and insert “1 January 2017”.

Paula Sherriff
John McDonnell
Rebecca Long Bailey

142

☆ Clause 125, page 205, line 32, leave out “such” and insert “1 April 2017, or on any prior”

Paula Sherriff
John McDonnell
Rebecca Long Bailey

144

☆ Clause 125, page 205, line 32, leave out “such” and insert “1 April 2018, or on any prior”

Mr Chancellor of the Exchequer

161

☆ Clause 125, page 205, line 33, at end insert—

- “() The date appointed under subsection (5) must not be after the later of—
- (a) 1 April 2017, and
 - (b) the earliest date that may be appointed consistently with the United Kingdom’s EU obligations.”



Finance Bill, continued

*NEW CLAUSES, NEW SCHEDULES AND AMENDMENTS TO CLAUSES AND SCHEDULES
RELATING TO CAPITAL GAINS TAX*

John McDonnell
Rebecca Long Bailey

NC14

☆ To move the following Clause—

“Entrepreneur’s Relief: value for money

- (1) The Chancellor of the Exchequer shall, within six months of the passing of this Act, publish a report giving HM Treasury’s assessment of the value for money provided by Entrepreneur’s Relief.
- (2) The report shall have particular reference to—
 - (a) the cost to the Exchequer of the Relief;
 - (b) the number of individuals who have benefited from the Relief;
 - (c) the average tax deduction received by an individual as a result of the Relief; and
 - (d) the number of new business start-ups since introduction of the Relief.”

John McDonnell
Rebecca Long Bailey
Tim Farron
Tom Brake

174

☆ Page 167, line 40, leave out Clause 82

Mr Chancellor of the Exchequer

149

☆ Clause 82, page 167, line 42, leave out “(11)” and insert “(11A)”

Mr Chancellor of the Exchequer

150

☆ Clause 82, page 168, leave out line 14 and insert—
“(c) carried interest gains (see subsections (12) and (13)).”

Mr Chancellor of the Exchequer

151

☆ Clause 82, page 169, line 4, at end insert—
“(11A) After subsection (11) insert—

- “(12) In subsection (2A)(c) “carried interest gains” means—
- (a) gains treated as accruing under section 103KA(2) or (3), and
 - (b) gains accruing to an individual as a result of carried interest arising to the individual where—
 - (i) the individual performs investment management services directly or indirectly in respect of an investment scheme under arrangements not involving a partnership,
 - (ii) the carried interest arises to the individual under the arrangements, and

Finance Bill, *continued*

- (iii) the carried interest does not constitute a co-investment repayment or return.
- (13) For the purposes of subsection (12)(b)—
 - (a) “carried interest”, in relation to any arrangements, has the same meaning as in section 809EZB of ITA 2007 (see sections 809EZC and 809EZD of that Act);
 - (b) carried interest “arises” to an individual if it arises to him or her for the purposes of Chapter 5E of Part 13 of ITA 2007;
 - (c) “arrangements”, “investment management services” and “investment scheme” have the same meanings as in that Chapter (see sections 809EZA(6) and 809EZE of that Act);
 - (d) “co-investment repayment or return” has the same meaning as in section 103KA.”

John McDonnell
Rebecca Long Bailey

175

☆ Schedule 14, page 481, line 36, at end insert—

“(12) Section 169Z makes provision about the expiration of this Chapter.”

John McDonnell
Rebecca Long Bailey

176

☆ Schedule 14, page 499, line 15, at end insert—

“169VZ Expiration of Chapter 5 provisions

- (1) The provisions of this Chapter shall remain in force until six years after their commencement and shall then expire, unless continued in force by an order under subsection (2).
- (2) The Secretary of State may by order made by statutory instrument provide—
 - (a) that all or any of those provisions which are in force shall continue in force for a period not exceeding 12 months from the coming into operation of the order; or
 - (b) that all or any of those provisions which are for the time being in force shall cease to be in force.
- (3) No order shall be made under subsection (2) unless—
 - (a) a draft of the order has been laid before and approved by a resolution of both Houses of Parliament,
 - (b) the Secretary of State has commissioned a review of the operation of Investor’s Relief and laid the report of the review before both Houses of Parliament.”

Finance Bill, *continued*

NEW CLAUSES, NEW SCHEDULES AND AMENDMENTS TO CLAUSES RELATING TO INSURANCE PREMIUM TAX; REMAINING NEW CLAUSES, NEW SCHEDULES AND AMENDMENTS TO CLAUSES AND SCHEDULES; REMAINING PROCEEDINGS ON CONSIDERATION

Mr Chancellor of the Exchequer

NC9

☆ To move the following Clause—

“Tax treatment of supplementary welfare payments: Northern Ireland

- (1) In this section “supplementary welfare payment” means a payment made under regulations under—
 - (a) Article 135(1)(a) of the Welfare Reform (Northern Ireland) Order 2015 (S.I. 2015/2006 (N.I. 1)) (“the Order”) (discretionary support),
 - (b) Article 137 of the Order (payments to persons suffering financial disadvantage), or
 - (c) any provision (including future provision) of the Order which enables provision to be made for payments to persons who suffer financial disadvantage as a result of relevant housing benefit changes.
- (2) In subsection (1)(c) “relevant housing benefit changes” means changes to social security benefits consisting of or including changes contained in the Housing Benefit (Amendment) Regulations (Northern Ireland) 2016 (S.R. (N.I.) 2016 No. 258).
- (3) The Treasury may by regulations amend any provision of Chapters 1 to 5 of Part 10 of ITEPA 2003 so as to—
 - (a) provide that no liability to income tax arises on supplementary welfare payments of a specified description;
 - (b) impose a charge to income tax under Part 10 of ITEPA 2003 on payments of a specified description made under regulations under Article 137 of the Order (payments to persons suffering financial disadvantage).
- (4) The regulations may make—
 - (a) different provision for different cases;
 - (b) incidental or supplementary provision;
 - (c) consequential provision (which may include provision amending any provision made by or under the Income Tax Acts).
- (5) Regulations made before 6 April 2017 may, so far as relating to the tax year 2016-17, have effect in relation to times before they are made.
- (6) Regulations under this section are to be made by statutory instrument.
- (7) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons.
- (8) In section 655(2) of ITEPA 2003 (other provisions about the taxation of social security payments) after the entry relating to section 782 of ITTOIA 2005 insert “; section (*Tax treatment of supplementary welfare payments: Northern Ireland*) of FA 2016 (tax treatment of supplementary welfare payments: Northern Ireland).”

Finance Bill, *continued*

Mr David Burrowes
Dr Sarah Wollaston

NC2

To move the following Clause—

“Review of the impact of the duty regime for high-strength cider

- (1) The Chancellor of the Exchequer must carry out a review of the impact of the rate of duty charged on sparkling cider of a strength exceeding 5.5%, and lay the report of the review before both Houses of Parliament within 12 months of this Act receiving Royal Assent.
- (2) The review must address (though need not be limited to) the impact of the duty regime on tax revenues and on the consumption of alcohol.”

Mr David Burrowes
Derek Thomas
Fiona Bruce
Steve Double
Michael Tomlinson
Jeremy Lefroy

Mr David Nuttall
Mr Philip Hollobone
Mr Gary Streeter

Tim Loughton
Mr Peter Bone
Maria Caulfield

Martin Vickers
Caroline Ansell

NC3

☆ To move the following Clause—

“Review of the operation of the transferable tax allowance for married couples and civil partners

- (1) The Chancellor of the Exchequer must carry out a review of the operation of the transferable tax allowance for married couples and civil partners under Chapter 3A of Part 3 of the Income Tax Act 2007 and lay the report of the review before both Houses of Parliament within 12 months of this Act receiving Royal Assent.
 - (2) The review must address (though need not be limited to)—
 - (a) levels of take-up of the allowance;
 - (b) the impact of the allowance on individuals with children aged five years or under;
 - (c) the impact of the allowance on low-income households; and
 - (d) ways in which the allowance could be changed to target low-income families with young children.”
-

Finance Bill, *continued*

Roger Mullin
Kirsty Blackman
Philip Boswell

NC6

☆ To move the following Clause—

“VAT treatment of the Scottish Police Authority and the Scottish Fire and Rescue Service

The Chancellor of the Exchequer must commission a review of the VAT treatment of the Scottish Police Authority and the Scottish Fire and Rescue Service, including but not limited to an analysis of the impact on the financial position of Police Scotland and the Scottish Fire and Rescue Service arising from their VAT treatment and an estimate of the change to their financial position were they eligible for a refund of VAT under section 33 of the VAT Act 1994, and must publish the report of the review within six months of the passing of this Act.”

Roger Mullin
Kirsty Blackman
Philip Boswell

NC8

☆ To move the following Clause—

“Review of changes to tax on dividend income

- (1) The Chancellor of the Exchequer must commission a review of how the changes to the tax on dividend income implemented by this Act affect directors of micro-business companies, to include—
 - (a) the impacts across the distribution of such directors’ net income;
 - (b) the impact on company failure rates; and
 - (c) options for amending the law to minimise the impact on such directors who are on low incomes.
 - (2) The Chancellor must lay a report of the review before both Houses of Parliament within six months of the passing of this Act.”
-

Barry Gardiner
John McDonnell
Rebecca Long Bailey

NC15

☆ To move the following Clause—

“VAT on Installation of Energy Saving Materials

- (1) No order shall be made under the Value Added Tax Act 1994 which would have the effect of raising the rate of VAT on installation of energy saving materials, or any individual category thereof.
- (2) No order shall be made under the Value Added Tax Act 1994 to vary Schedule 7A of that Act by deleting or varying any description of supply within Group 2 (Installation of Energy Saving Materials).

Finance Bill, *continued*

- (3) “Installation of energy saving materials” has the meaning given in Schedule 7A of the Value Added Tax Act 1994.””
-

Tim Farron
Tom Brake

NC16

☆ To move the following Clause—

“Review of impact of tax measures on intergenerational fairness

- (1) Within six months of the passage of this Act the Secretary of State must lay before Parliament a report assessing the impact of —
- (a) Sections 1 to 3,
 - (b) Sections 19 to 22,
 - (c) Section 82,
 - (d) Sections 92 to 96, and
 - (e) Section 140
- on the burden of taxation by age demographic.
- (2) A report under this section must include an analysis of the proportion of taxation paid by working age people under the age of 35.”
-

Roger Mullin
Kirsty Blackman
Philip Boswell

NC17

★ To move the following Clause—

“Review of income tax treatment of workers providing services through intermediaries

The Chancellor of the Exchequer must conduct a strategic review of the impact on workers defined as providing services through intermediaries of their treatment for income tax purposes, including the differential impact on different types of worker, and must publish the report of the review within six months of the passing of this Act.”

Finance Bill, *continued*

Roger Mullin
Kirsty Blackman
Philip Boswell

NC18

- ★ To move the following Clause—

“Impact of section 24 of Finance (No 2) Act 2015 on availability of affordable housing

The Chancellor of the Exchequer must commission a review of the impact of changes relating to income tax made by Section 24 of the Finance Act 2015 on the availability of affordable housing, and lay the report of the review before both Houses of Parliament within six months of the passing of this Act.”

Wes Streeting
Rachel Reeves

NC19

- ★ To move the following Clause—

“Distributional analysis of the impact of taxation measures

- (1) The Chancellor of the Exchequer must review the impact of the measures introduced by this Act on households at different levels of income, and lay before each House of Parliament the report of that review within six months of this Act coming into force.
 - (2) The Chancellor of the Exchequer must review the impact of government fiscal measures on households at different levels of income at least once in each calendar year, and lay before each House of Parliament a report on each review.”
-

Mr Chancellor of the Exchequer

132

Clause 18, page 26, line 25, leave out “December 2016” and insert “April 2017”

Mr Chancellor of the Exchequer

133

Clause 18, page 26, line 30, leave out “December 2016” and insert “April 2017”

Mr Chancellor of the Exchequer

134

Clause 18, page 26, line 32, leave out “December 2016” and insert “April 2017”

Mr Chancellor of the Exchequer

146

☆ Clause 19, page 27, line 7, leave out “(4)” and insert “(4A)”

Finance Bill, *continued*

Mr Chancellor of the Exchequer

147

☆ Clause 19, page 28, line 2, at end insert—

“(4A) After subsection (5E) insert—

“(5F) Where—

(a) benefit crystallisation event 5C occurs by reason of the designation on or after 6 April 2015 of sums or assets held for the purposes of an arrangement relating to the individual, and

(b) the individual died before 6 April 2012,

the standard lifetime allowance at the time of the benefit crystallisation event is £1,800,000.

(5G) Where—

(a) benefit crystallisation event 5C occurs by reason of the designation on or after 6 April 2015 of sums or assets held for the purposes of an arrangement relating to the individual, and

(b) the individual died in the period consisting of the tax year 2012-13 and the tax year 2013-14,

the standard lifetime allowance at the time of the benefit crystallisation event is £1,500,000.

(5H) Where—

(a) benefit crystallisation event 5C occurs by reason of the designation on or after 6 April 2016 of sums or assets held for the purposes of an arrangement relating to the individual, and

(b) the individual died in the period consisting of the tax year 2014-15 and the tax year 2015-16,

the standard lifetime allowance at the time of the benefit crystallisation event is £1,250,000.

(5I) Where—

(a) benefit crystallisation event 5D occurs by reason of a person becoming entitled on or after 6 April 2016 to an annuity in respect of the individual, and

(b) the individual died in the period beginning with 3 December 2014 and ending with 5 April 2016,

the standard lifetime allowance at the time of the benefit crystallisation event is £1,250,000.””

Mr Chancellor of the Exchequer

148

☆ Clause 19, page 28, line 10, at end insert—

“() The amendment made by subsection (4A)—

(a) so far as it consists of the insertion of new subsections (5F) and (5G)—

(i) is to be treated as having come into force on 6 April 2015, and

(ii) has effect in relation to benefit crystallisation events occurring on or after that date, and

(b) so far as it consists of the insertion of new subsections (5H) and (5I)—

(i) is to be treated as having come into force on 6 April 2016, and

Finance Bill, *continued*

- (ii) has effect in relation to benefit crystallisation events occurring on or after that date.”
-

Mr Chancellor of the Exchequer

135

Clause 31, page 45, line 20, leave out subsections (5) and (6) and insert—

“(5) In subsection (3A)—

- (a) for the words from “In the second” to “does not include” substitute “An investment made by a company (“the investor”) falls within this subsection if it is”;
- (b) in paragraph (c) for “the company” substitute “the investor”;
- (c) after paragraph (c) insert—
 - “(d) money in the investor’s possession;
 - (e) a sum owed to the investor which—
 - (i) under section 285(4)(b) (read with section 285(5) and (6)) is to be regarded as an investment of the investor, and
 - (ii) is such that the investor’s right mentioned in section 285(5)(a) may be exercised on 7 days’ notice given by the investor.”

(5A) After subsection (3A) insert—

- “(3B) In subsection (3A), any reference to a thing which may be done on 7 days’ notice includes a case where that thing may be done—
 - (a) on less than 7 days’ notice, or
 - (b) without notice.”

(6) In subsection (5)—

- (a) after paragraph (b) insert—
 - “(ba) amend or repeal subsection (3B) in consequence of any provision made under paragraph (b),”;
 - (b) in paragraph (c) for the words from “made by” to “(3A)” substitute “falling within subsection (3A) may be held by the company”.
-

Tim Farron
Tom Brake

179

☆ Clause 99, page 185, line 20, at end insert—

- “(c) “earning” do not include any amounts that constitute qualifying bonus payments within the meaning of section 312B of the Income Tax (Earnings and Pensions) Act 2003.”
-

Finance Bill, *continued*

Mr Chancellor of the Exchequer

138

Schedule 1, page 323, line 35, at end insert—

“(iii) in Type 4 (tax charged at basic rate as a result of section 491), omit “at the basic rate”, and”

Jonathan Reynolds
Rob Marris

141

☆ Schedule 3, page 337, line 17, at end insert—

“Provision for small amounts of partnership share money repayable to employees to be exempt from tax if instead applied charitably

10 In section 503 of ITEPA 2003 (charge on partnership share money paid over to employee), after “paragraph 55(3) (partnership share money paid over on withdrawal from partnership share agreement),” insert—

“paragraph 55(3A)(a) or (b)(i) (partnership share money paid over on withdrawal from partnership share agreement),”

11 (1) In Schedule 2 to ITEPA 2003 (share incentive plans), Part 6 (partnership shares) is amended as follows.

(2) In paragraph 55 (withdrawal from partnership share agreement)—

(a) in sub-paragraph (3) after “as soon as practicable” insert—

“, unless the plan includes provision authorised by sub-paragraph (3A)”

(b) after sub-paragraph (3) insert—

“(3A) The plan may provide that, where an employee withdraws from a partnership share agreement—

(a) if the employee does not agree to an arrangement in accordance with sub-paragraph (b), any partnership share money held on behalf of the employee is to be paid over to the employee as soon as practicable, and

(b) with the employee’s agreement—

(i) if the partnership share money held on behalf of the employee exceeds a threshold amount of not more than £ 10 specified in the plan, the full amount must be paid over to the employee as soon as practicable, and

(ii) if the partnership share money held on behalf of the employee is equal to or less than the threshold amount referred to in sub-paragraph (b)(i), as soon as reasonably practicable, the full amount must either—

be paid over to a charity specified in the plan, or become held for a reasonable period, in order to be accumulated with any other amounts that may arise in that period in the same way, and then paid over to a charity specified in the plan.

Finance Bill, *continued*

- (3B) Partnership share money paid over to a charity or accumulated for that purpose under sub-paragraph (3A)(b) shall not count as employment income by reason of section 503.
- (3C) While the plan includes any provision authorised by sub-paragraph (3A), the company and trustees shall make available to participants and qualifying employees at least annually an account of the total amount of partnership share money that would have been returned to employees were it not for that provision and of the related charitable donations made.
- (3D) The Treasury may by order amend sub-paragraph (3A)(b)(i) by substituting for any amount for the time being specified there an amount specified in the order.””

Mr Chancellor of the Exchequer

139

Schedule 17, page 547, line 31, leave out “1 October” and insert “14 November”

Wes Streeting
John Mann
Rachel Reeves
Helen Goodman
John McDonnell
Rebecca Long Bailey

180

★ Schedule 25, page 642, line 2, at end insert—

“(4A) The Chancellor of the Exchequer may not appoint the Chair of the OTS without the consent of the Treasury Committee of the House of Commons.

(4B) The Chancellor of the Exchequer may not appoint the Tax Director of the OTS without the consent of the Treasury Committee of the House of Commons.”

Wes Streeting
John Mann
Rachel Reeves
Helen Goodman
John McDonnell
Rebecca Long Bailey

181

★ Schedule 25, page 642, line 40, at end insert—

“(2A) The Chancellor of the Exchequer may not terminate the appointment of the Chair of the OTS without the consent of the Treasury Committee of the House of Commons.

(2B) The Chancellor of the Exchequer may not terminate the appointment of the Tax Director of the OTS without the consent of the Treasury Committee of the House of Commons.”

Finance Bill, *continued*

Wes Streeting
 John Mann
 Rachel Reeves
 Helen Goodman
 John McDonnell
 Rebecca Long Bailey

182

★ Schedule 25, page 643, line 3, at end insert—

“References to Treasury Committee

- 5A (1) Any reference in this Schedule to the Treasury Committee of the House of Commons—
- (a) if the name of that Committee is changed, is to be treated as a reference to that Committee by its new name, and
 - (b) if the functions of that Committee (or substantially corresponding functions) become functions of a different Committee of the House of Commons, is to be treated as a reference to the Committee by which those functions are exercisable.
- (2) Any question arising under sub-paragraph (1) is to be determined by the Speaker of the House of Commons.”

ORDER OF THE HOUSE [11 APRIL 2016]

That the following provisions shall apply to the Finance (No. 2) Bill:

Committal

1. The following shall be committed to a Committee of the whole House—
 - (1) Clauses 7 to 18 and Schedules 2 and 3 (employment income);
 - (2) Clauses 41 and 42 (corporation tax: charge and rates);
 - (3) Clauses 43 and 44 (corporation tax: research and development);
 - (4) Clauses 65 to 71 (capital allowances, trade and property business profits);
 - (5) Clauses 72 to 81 and Schedules 11 to 14 (capital gains tax);
 - (6) Clause 129 (insurance premium tax);
 - (7) Clauses 132 to 136 (climate change levy);
 - (8) Clauses 144 to 154 and Schedules 18 to 22 (tax avoidance and evasion);
 - (9) any new Clauses or new Schedules relating to—
 - (a) employment income,
 - (b) the subject matter of Clauses 41 to 44 and 65 to 71,
 - (c) capital gains tax,
 - (d) insurance premium tax,
 - (e) climate change levy, and
 - (f) tax avoidance and evasion.
2. The remainder of the Bill shall be committed to a Public Bill Committee.

Finance Bill, continued*Proceedings in committee*

3. Proceedings in Committee of the whole House shall be completed in two days.
4. Those proceedings shall be taken on each of those days as shown in the first column of the following Table and in the order so shown.
5. Each part of the proceedings shall (so far as not previously concluded) be brought to a conclusion at the time specified in relation to it in the second column of the Table.
6. Standing Order No. 83B (programming committees) shall not apply to proceedings in Committee of the whole House.

TABLE

<i>Proceedings</i>	<i>Time for conclusion of proceedings</i>
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First day

Clauses 7 to 12, Schedule 2, Clauses 13 to 16, Schedule 3, Clauses 17 and 18, new clauses and new Schedules relating to employment income	Two hours from commencement of proceedings on the Bill on the first day
Clauses 132 to 136, new clauses and new Schedules relating to climate change levy	Four hours from commencement of proceedings on the Bill on the first day
Clause 129 and new clauses and new Schedules relating to insurance premium tax	Six hours from commencement of proceedings on the Bill on the first day

*Proceedings**Time for conclusion of proceedings**Second day*

Clauses 144 to 147, Schedule 18, Clauses 148 and 149, Schedule 19, Clause 150, Schedule 20, Clause 151, Schedule 21, Clauses 152 and 153, Schedule 22, Clause 154, new clauses and new Schedules relating to tax avoidance and evasion	Two hours from commencement of proceedings on the Bill on the second day
Clauses 41 to 44, Clauses 65 to 71, new clauses and new Schedules relating to the subject matter of those clauses	Four hours from commencement of proceedings on the Bill on the second day
Clause 72, Schedules 11 and 12, Clauses 73 to 75, Schedule 13, Clause 76, Schedule 14, Clauses 77 to 81, new Clauses and new Schedules relating to capital gains tax	Six hours from commencement of proceedings on the Bill on the second day

Finance Bill, continued

Proceedings in Public Bill Committee etc

7. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on 14 July.
8. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.
9. When the provisions of the Bill considered, respectively, by the Committee of the whole House and by the Public Bill Committee have been reported to the House, the Bill shall be proceeded with as if it had been reported as a whole to the House from the Public Bill Committee.

Consideration and Third Reading

10. Proceedings on Consideration, any proceedings in Legislative Grand Committee and proceedings on Third Reading shall be completed in two days.
11. Proceedings on Consideration and proceedings in Legislative Grand Committee shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the second day of proceedings on Consideration.
12. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.
13. Standing Order No. 83B (programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.

FINANCE BILL (PROGRAMME (NO. 2))

Mr Chancellor of the Exchequer

That the following provisions shall apply to the Finance Bill for the purpose of supplementing the Order of 11 April 2016 in the last Session of Parliament (Finance (No. 2) Bill (Programme)):

1. Paragraphs 11 and 12 of the Order shall be omitted.
2. Proceedings on Consideration shall be taken on the days shown in the following Table and in the order so shown.
3. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

TABLE

<i>Proceedings</i>	<i>Time for conclusion of proceedings</i>
<i>First day</i>	
New Clauses, new Schedules and amendments to Clauses and Schedules relating to corporation tax	Two hours after the commencement of proceedings on the motion for this Order
New Clauses, new Schedules and amendments to Clauses and Schedules relating to tax avoidance and evasion	Four hours after the commencement of proceedings on the motion for this Order

Finance Bill, *continued**Proceedings**Time for conclusion of proceedings*

New Clauses, new Schedules and amendments to Clauses relating to VAT on women's sanitary products

Six hours after the commencement of proceedings on the motion for this Order

*Proceedings**Time for conclusion of proceedings**Second day*

New Clauses, new Schedules and amendments to Clauses and Schedules relating to capital gains tax

4.30 pm

New Clauses, new Schedules and amendments to Clauses relating to insurance premium tax; remaining new Clauses, new Schedules and amendments to Clauses and Schedules; remaining proceedings on Consideration

6.00 pm

4. Proceedings in Legislative Grand Committee and proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at 7 pm on the second day of proceedings on Consideration.

NOTICES WITHDRAWN

The following Notices were withdrawn on 31 August 2016:

NC1, and Amendments 30, 32, 60, 114 and 118

The following Notices were withdrawn on 1 September 2016:

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