



# House of Commons

Thursday 19 October 2017

## PUBLIC BILL COMMITTEE

*New Amendments handed in are marked thus ★*

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

### FINANCE BILL

**(Except Clause 5 and any new Clauses or new Schedules relating to the tax treatment of payments or benefits received in connection with the termination of an employment or a change in the duties in, or earnings from, an employment; Clause 15 and any new Clauses or new Schedules relating to the conditions under which business investment relief in Chapter A1 of Part 14 of the Income Tax Act 2007 is available; Clause 25 and any new Clauses or new Schedules relating to the extent to which trading profits are chargeable to corporation tax at the Northern Ireland rate)**

#### 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**This document includes all amendments tabled to date and includes any withdrawn amendments at the end.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 Order of the Committee of 17 October.**

Peter Dowd  
Anneliese Dodds  
Jeff Smith

Schedule 5, page 352, leave out from end of line 35 to the beginning of line 21 on page 368 27

***Member's explanatory statement***

*This amendment removes the special provisions relating to the corporate interest restriction for public infrastructure companies.*

Stella Creasy

Schedule 5, page 354, line 10, after “subsection (11)”, insert— 3  
“(c) the company is not a PFI company,”

***Member's explanatory statement***

*This amendment would exclude PFI companies from the provisions of Chapter 8 of new Part 10 of TIOPA 2010.*

Finance Bill, *continued*

Stella Creasy

4

Schedule 5, page 361, line 21, at end insert “and  
(c) the company is a PFI company,”

**Member’s explanatory statement**

*This amendment provides that the qualifying old loan relationship only applies to a qualifying infrastructure company that is a PFI company.*

Stella Creasy

5

Schedule 5, page 364, line 10, at end insert—

**“443A Review of effects in relation to PFI companies**

- (1) Within three months of the coming into force of this Chapter, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review of the effects of the provisions of this Chapter in relation to PFI companies.
- (2) The review shall consider in particular the effects if the provisions of—
  - (a) the Chapter, and
  - (b) the exemption in section 439
 were not to apply to PFI companies.
- (3) The Chancellor of the Exchequer shall lay a report of the review under this section before the House of Commons within three months of its completion.”

**Member’s explanatory statement**

*This amendment requires a review to be undertaken of the impact of the provisions of Chapter 8 of new Part 10 of TIOPA 2010 in relation to PFI companies and if the provisions did not apply to PFI companies.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

28

Schedule 5, page 367, line 46, at end insert—

**“448A Sectoral reporting on operation of this Chapter**

- (1) Within fifteen months of the coming into force of this Chapter, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review about the operation of its provisions in relation to different sectors.
- (2) The sectors covered by this review shall be—
  - (a) water and sewerage,
  - (b) gas and electricity,
  - (c) telecommunications,
  - (d) railway facilities,
  - (e) roads and other transport facilities,
  - (f) health facilities,
  - (g) educational facilities,
  - (h) facilities or housing accommodation provided for use by any of the armed forces,
  - (i) facilities or housing accommodation provided for use by any police force,
  - (j) court or prison facilities,
  - (k) waste processing facilities,

**Finance Bill, continued**

- (l) buildings (or parts of buildings) occupied by any relevant public body other than for purposes principally concerned with matters specified in paragraphs (a) to (k).
- (3) A review under this section shall separately identify, in respect of each sector, information on operation in respect of qualifying infrastructure companies undertaking activities that were previously undertaken by a nationalised industry.
- (4) The Chancellor of the Exchequer shall lay a report of the review under this section before the House of Commons within three months of its completion.”

**Member’s explanatory statement**

*This amendment would require HMRC to report on the operation of the special provisions in Schedule 5 relating to public infrastructure in relation to sectors and, within sectors, in relation to privatised companies as a group.*

Stella Creasy

6

Schedule 5, page 368, line 13, at end insert—

“a PFI company” means a company which has entered into a contract with a public sector body under the Private Finance Initiative or the PF2 initiative.”

**Member’s explanatory statement**

*This amendment defines a PFI company.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

29

Schedule 6, page 479, line 15, at end insert—

**“CHAPTER 7****REVIEW AND POLICY STATEMENT****1218ZFB Review of operation of this Part and policy statement**

- (1) No later than 30 September 2020, the Chancellor of the Exchequer shall lay before the House of Commons a report of a review and a policy statement in accordance with the provisions of this section.
- (2) The review shall consider—
  - (a) the number of touring exhibitions benefiting from the relief,
  - (b) the number of other exhibitions benefiting from the relief,
  - (c) an assessment of the operation of the provisions.
- (3) The policy statement shall set out proposals for the continuation, discontinuation or modification of the relief from 2022 onwards.”

**Member’s explanatory statement**

*This amendment would make statutory provision for the 2020 review of the operation of the new museums and galleries tax relief, including consideration of its effects and its future beyond 2022.*

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**Finance Bill, continued**

Peter Dowd  
Anneliese Dodds  
Jeff Smith

30

Clause 22, page 27, line 25, at end insert—

**“217E Review of operation of this Part**

- (1) Within fifteen months of the coming into force of this Part, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review about the operation its provisions (including in relation to different eligible sports).
- (2) The review shall, so far as practical, identify the extent to which the provisions have benefitted particular eligible sports.
- (3) The Chancellor of the Exchequer shall lay a report of the review under this section before the House of Commons within three months of its completion.”

***Member’s explanatory statement***

*This amendment would make statutory provision for a review of the new relief for grassroots sport, including identification of benefits to particular sports where possible.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

31

Clause 23, page 32, line 45, at end insert—

**“357GCZG Review of changes to provisions for cost-sharing arrangements**

- (1) Within fifteen months of the passing of the Finance (No. 2) Act 2017, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review about the effects of the changes to cost-sharing arrangements.
- (2) In this section, “the changes to cost-sharing arrangements” means the changes to this Part of this Act made by section 23 of the Finance (No. 2) Act 2017.
- (3) The Chancellor of the Exchequer shall lay a report of the review under this section before the House of Commons within three months of its completion.”

***Member’s explanatory statement***

*This amendment would make statutory provision for a review of the effects of the changes relating to cost-sharing arrangements on profits from the exploitation of patents or similar intellectual property.*

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Mel Stride

1

Clause 28, page 38, line 5, leave out from “applies” to “in” in line 6

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**Finance Bill, continued**

Mel Stride

Clause 28, page 38, line 10, leave out “paragraph 7” and insert “this Schedule”

2

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

Schedule 8, page 501, line 25, leave out paragraphs 18 to 40

***Member’s explanatory statement***

*This amendment would remove the exemption from the new provisions for deemed domicile in Clause 29 for overseas trusts.*

24

Peter Dowd  
Anneliese Dodds  
Jeff Smith

Schedule 8, page 501, line 28, line 28, leave out “D” and insert “E”

***Member’s explanatory statement***

*This amendment paves the way for Amendment 26.*

25

Peter Dowd  
Anneliese Dodds  
Jeff Smith

Schedule 8, page 502, line 14, at end insert—

“(8A) Condition E is that the settlor registers the source of the property or income on a public register in a manner prescribed by regulations.

(8B) The Treasury shall by regulations prescribe the manner for public registration of the source of property or income for the purposes of subsection (8A).

(8C) A statutory instrument containing regulations under subsection (8B) may not be made unless a draft of it has been laid before, and approved by a resolution of, the House of Commons.”

***Member’s explanatory statement***

*This amendment would require the beneficiary of an overseas trust to provide information about the sources of the property or income on a public register.*

26

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

Clause 40, page 58, line 31, at end insert—

**“262AG Review of operation of co-ownership authorised contractual schemes**

- (1) Within fifteen months of the passing of the Finance (No. 2) Act 2017, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review

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**Finance Bill, continued**

of the operation of the new provisions for co-ownership authorised contractual schemes.

- (2) The review shall, in particular, consider the operation of these provisions in relation to master funds.
- (3) In this section, “the new provisions for co-ownership authorised contractual schemes” means—
  - (a) sections 262AA to 262AF of this Act, and
  - (b) regulations made under sections 41 and 42 of the Finance (No. 2) Act 2017.
- (4) The Chancellor of the Exchequer shall lay a report of the review under this section before the House of Commons within three months of its completion.”

**Member’s explanatory statement**

*This amendment would make statutory provision for a review of the operation of the new provisions for co-ownership authorised contractual schemes.*

Kirsty Blackman  
David Linden

37

Clause 60, page 71, line 16, leave out “paragraph 2” and insert “paragraphs 1A and 2.

- 1A (1) The provisions of this Schedule shall not apply to a person specified in paragraph 1(1) except in accordance with the provisions of this paragraph.
- (2) No person shall be subject to the provisions of this Schedule unless they fall within a class of persons specified in regulations made under sub-paragraph (3).
- (3) The Commissioners may by regulations specify a class of persons to whom this Schedule applies provided that the relevant conditions in sub-paragraphs (4) to (9) are met.
- (4) The condition in this sub-paragraph is that the first regulations may not be made until after the Commissioners have undertaken an assessment of the impact of the implementation of the provisions of this Schedule on—
  - (a) small businesses that have limited technological connectedness,
  - (b) businesses in rural areas, and
  - (c) businesses that are likely to have been affected by the closure of HMRC offices.
- (5) The condition in this sub-paragraph is that the first regulations may not apply to more than 25 per cent of persons to whom paragraph 1(1) applies.
- (6) The condition in this sub-paragraph is that the Commissioners have prepared an assessment of the likely effects of making regulations in the form of a draft which has been laid before the House of Commons by the Treasury.
- (7) The condition in this sub-paragraph is that the House of Commons has resolved that regulations should be made in the form of a draft laid in accordance with sub-paragraph (6).
- (8) The condition in this sub-paragraph is that the second regulations may not be made—
  - (a) until at least twelve months have elapsed since the making of the first regulations,
  - (b) unless, taken together with the first regulations, they apply to no more than 90 per cent of persons to whom paragraph 1(1) applies.

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**Finance Bill, continued**

- (9) The condition in this sub-paragraph is that the third set of regulations may not be made until at least twelve months have passed since the making of the second regulations.”

**Member's explanatory statement**

*This amendment would provide for a staged implementation of the provisions for making tax digital in relation to income tax, with review of impact on specific groups and provision for each new stage to be subject to approval by resolution of the House of Commons.*

Stella Creasy

7

Clause 60, page 75, line 7, at end insert—

- “(1A) Regulations under sub-paragraph (1) must in particular require a person or partnership to record service charges separately from other income.”

**Member's explanatory statement**

*This amendment imposes a duty on HMRC to require separate records to be kept of service charges.*

Stella Creasy

8

Clause 60, page 75, line 7, at end insert—

- “(1B) Regulations under sub-paragraph (1) must in particular require a person or partnership to maintain separate records in respect of each employee and in respect of any prescribed time period of service charges received and to make those records available in a prescribed manner.

- (1C) In sub-paragraph (1B), “prescribed” means prescribed by regulations.”

**Member's explanatory statement**

*This amendment imposes a duty on HMRC to require separate records of service charges to be kept in respect of each employee and in respect of prescribed period to be made available in a prescribed manner.*

Stella Creasy

9

Clause 60, page 75, line 7, at end insert—

- “(1D) Regulations under sub-paragraph (1) must in particular establish a right for employees to obtain from their employer information relevant to their own tax liabilities from digital records of service charges received.”

**Member's explanatory statement**

*This amendment imposes a duty on HMRC to create a right for employees to access digital records held by their employers which are relevant for the purpose of calculating their individual tax liabilities in relation to service charges.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

33

Clause 60, page 78, line 19, after “day”, insert “no earlier than 1 January 2022”.

**Member's explanatory statement**

*This amendment provides that the provisions for digital reporting in Clause 60 may not be brought into force before 2022.*

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**Finance Bill, continued**

Peter Dowd  
Anneliese Dodds  
Jeff Smith

34

Clause 61, page 78, line 34, after “day”, insert “no earlier than 1 January 2022”.

***Member’s explanatory statement***

*This amendment provides that the provisions for digital reporting in Schedule 14 and Clause 61 may not be brought into force before 2022.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

35

Clause 62, page 79, line 12, at end insert—

“(5A) No regulations may be made under sub-paragraph (5) on a day prior to 1 January 2022.”

***Member’s explanatory statement***

*This amendment provides that the provisions for digital reporting in Clause 62 may not be brought into force before 2022.*

Kirsty Blackman  
David Linden

38

Clause 62, page 79, line 12, at end insert—

“(5A) But no regulations may be made by the Commissioners unless the conditions in sub-paragraphs (5B) to (5D) are met.

(5B) The condition in this sub-paragraph is that the first regulations may not be made until after the Commissioners have undertaken an assessment of the impact of the implementation of the provisions of those regulations on—

- (a) small businesses that have limited technological connectedness,
- (b) businesses in rural areas, and
- (c) businesses that are likely to have been affected by the closure of HMRC offices.

(5C) The condition in this sub-paragraph is that the Commissioners have prepared an assessment of the likely effects of making regulations in the form of a draft which has been laid before the House of Commons by the Treasury.

(5D) The condition in this sub-paragraph is that the House of Commons has resolved that regulations should be made in the form of a draft laid in accordance with sub-paragraph (5C).”

***Member’s explanatory statement***

*This amendment would provide for implementation of the provisions for making tax digital in relation to VAT to take place only following a review of impact on specific groups and provision for regulations to be subject to approval by resolution of the House of Commons.*



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**Finance Bill, continued**

Peter Dowd  
Anneliese Dodds  
Jeff Smith

36

Clause 62, page 79, line 19, at end insert—

“(6A) Regulations under sub-paragraph (5) may not impose mandatory requirements for businesses to generate quarterly updates.”

***Member’s explanatory statement***

*This amendment provides that any system for quarterly updates to be generated must not be mandatory.*

Stella Creasy

10

Clause 62, page 80, line 13, at end insert—

“(12) Before making regulations under sub-paragraph (5) and in any case within three months of the passing of the Finance (No. 2) Act 2017, the Commissioners shall lay before the House of Commons an assessment on the effects on compliance with the requirements of those regulations by small businesses of the United Kingdom’s withdrawal from the European Union.”

***Member’s explanatory statement***

*This amendment requires HMRC to publish an assessment of the effects on electronic VAT records requirements for small business of the UK’s withdrawal from the EU.*

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*NEW CLAUSES*

Stella Creasy

NC1

To move the following Clause—

**“Review of relief from corporation tax relief for PFI companies**

- (1) Within three months of the passing of this Act, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review about how corporation tax relief is given for losses, deficits, expenses and other amounts of PFI companies.
- (2) For the purposes of this section, “a PFI company” means a company which has entered into a contract with a public sector body under the Private Finance Initiative or the PF2 initiative.
- (3) The Chancellor of the Exchequer shall lay a report of the review under this section before the House of Commons within three months of its completion.”

***Member’s explanatory statement***

*This new clause requires a review to be undertaken of the corporation tax reliefs available to PFI companies.*

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**Finance Bill, continued**

Stella Creasy

NC2

To move the following Clause—

**“Taxation of chargeable gains: review of treatment of commercial property held by persons with foreign domicile**

- (1) The Taxation of Chargeable Gains Act 1992 is amended as follows.
- (2) After section 14 (non-resident groups of companies), insert—

**“Review of treatment of commercial property held by persons with foreign domicile**

- (1) Within three months of the passing of the Finance (No. 2) Act 2017, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review about the taxation of chargeable gains held by persons with foreign domicile.
- (2) The review shall consider in particular the implications if the treatment of commercial property were to be the same as the treatment of residential property under section 4BB(2).
- (3) The Chancellor of the Exchequer shall lay a report of the review under this section before the House of Commons within three months of its completion.””

***Member’s explanatory statement***

*This new clause requires a review to be undertaken of the treatment of capital gains on commercial property disposed of by UK taxpayers with a foreign domicile.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

NC3

To move the following Clause—

**“Deemed domicile: review of protection of overseas trusts**

- (1) Within fifteen months of the passing of this Act, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review about the operation of the provisions for the protection of overseas trusts in relation to deemed domicile.
- (2) The review shall in particular consider—
  - (a) the effects of those provisions on the Exchequer,
  - (b) the behavioural effects of those provisions, and
  - (c) the effects on the matters specified in paragraphs (a) and (b) if those provisions were repealed.
- (3) For the purposes of this section, “the provisions for the protection of overseas trusts” means the provisions inserted by paragraphs 18 to 38 and 40 of Schedule 8 to this Act.

**Finance Bill, continued**

- (4) The Chancellor of the Exchequer shall lay a report of the review under this section before the House of Commons within three months of its completion.”

**Member's explanatory statement**

*This new clause requires a review to be undertaken of the effects of the provisions for protecting overseas trusts from the new provisions in relation to deemed domicile.*

## ORDER OF THE HOUSE [12 SEPTEMBER 2017]

That the following provisions shall apply to the Finance Bill:

*Committal*

1. The following shall be committed to a Committee of the whole House—
  - (a) Clause 5 (termination payments etc amounts chargeable on employment income) and any new Clauses or new Schedules relating to the tax treatment of payments or benefits received in connection with the termination of an employment or a change in the duties in, or earnings from, an employment;
  - (b) Clause 15 (business investment relief) and any new Clauses or new Schedules relating to the conditions under which business investment relief in Chapter A1 of Part 14 of the Income Tax Act 2007 is available;
  - (c) Clause 25 (trading profits taxable at the Northern Ireland rate) and any new Clauses or new Schedules relating to the extent to which trading profits are chargeable to corporation tax at the Northern Ireland rate.
2. The remainder of the Bill shall be committed to a Public Bill Committee.

*Proceedings in Committee of the whole House*

3. Proceedings in Committee of the whole House shall be completed in one day.
4. Those proceedings shall be taken in the order shown in the first column of the following Table.
5. Each part of 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.
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>
Proceedings committed under paragraph (1)(a) (termination payments etc)	2 hours from commencement of proceedings on the Bill
Proceedings committed under paragraph (1)(b) (business investment relief)	4 hours from commencement of proceedings on the Bill
Proceedings committed under paragraph (1)(c) (trading profits taxable at the Northern Ireland rate)	6 hours from commencement of proceedings on the Bill

**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 26 October 2017.
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.

*Proceedings on Consideration and up to and including Third Reading*

10. Proceedings on Consideration and any 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 day on which proceedings on Consideration are commenced.
  11. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.
  12. Standing Order No. 83B (programming committees) shall not apply to proceedings on Consideration and up to and including Third Reading.
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## ORDER OF THE COMMITTEE [17 OCTOBER 2017]

That—

- (1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 17 October) meet—
    - (a) at 2.00 pm on Tuesday 17 October;
    - (b) at 11.30 am and 2.00 pm on Thursday 19 October;
    - (c) at 9.25 am and 2.00 pm on Tuesday 24 October;
    - (d) at 11.30 am and 2.00 pm on Thursday 26 October;
  - (2) the proceedings shall be taken in the following order: Clauses 1 to 4; Clauses 6 to 14; Schedule 1; Clause 16; Schedule 2; Clause 17; Schedule 3; Clause 18; Schedule 4; Clauses 19 and 20; Schedule 5; Clause 21; Schedule 6; Clauses 22 to 24; Schedule 7; Clauses 26 to 29; Schedule 8; Clauses 30 and 31; Schedule 9; Clauses 32 and 33; Schedule 10; Clause 34; Schedule 11; Clause 35; Schedule 12; Clauses 36 to 55; Schedule 13; Clauses 56 to 61; Schedule 14; Clauses 62 and 63; Schedule 15; Clauses 64 and 65; Schedule 16; Clause 66; Schedule 17; Clause 67; Schedule 18; Clauses 68 to 72; new Clauses; new Schedules; remaining proceedings on the Bill;
  - (3) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 26 October.
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