



House of Commons

Tuesday 24 October 2017

PUBLIC BILL COMMITTEE PROCEEDINGS

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)

[FIFTH AND SIXTH SITTINGS]

GLOSSARY

This document shows the fate of each clause, schedule, amendment and new clause.

The following terms are used:

Agreed to: agreed without a vote.

Agreed to on division: agreed following a vote.

Negatived: rejected without a vote.

Negatived on division: rejected following a vote.

Not called: debated in a group of amendments, but not put to a decision.

Not moved: not debated or put to a decision.

Question proposed: debate underway but not concluded.

Withdrawn after debate: moved and debated but then withdrawn, so not put to a decision.

Not selected: not chosen for debate by the Chair.

Clauses 43 to 55 agreed to.

Schedule 13 agreed to.

Clauses 56 to 59 agreed to.

Finance Bill, *continued*

Kirsty Blackman
David Linden

Negatived on division 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.
- (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.”

Stella Creasy

Not called 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.”

Stella Creasy

Negatived on division 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.”

Finance Bill, continued

Stella Creasy

Not selected 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.”

Stella Creasy

Not called 39

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 to those employees.
- (1C) in sub-paragraph (1B), “prescribed” means prescribed by regulations.”

Peter Dowd
Anneliese Dodds
Jeff Smith*Negated on division* 33

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

Peter Dowd
Anneliese Dodds
Jeff Smith*Negated on division* 40

Clause 60, page 78, line 20, at end insert—

- “(4A) No regulations may be made under subsection (4) until after 90 days after the Chancellor of the Exchequer has laid a report before the House of Commons which sets out—
- (a) the steps which HMRC has undertaken to establish that suitable software is available;
 - (b) the results of the testing by HMRC and others of that software; and
 - (c) the reasons why mandatory use of the software is in the interest of HMRC and taxpayers.”

*Clause agreed to.*Peter Dowd
Anneliese Dodds
Jeff Smith*Not called* 34

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

*Clause agreed to.**Schedule 14 agreed to.*

Finance Bill, *continued*

Peter Dowd
Anneliese Dodds
Jeff Smith

Not called 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.”

Kirsty Blackman
David Linden

Not called 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).”

Peter Dowd
Anneliese Dodds
Jeff Smith

Negated on division 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.”

Stella Creasy

Negated on division 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.”

Clause agreed to.

Clause 63 agreed to.

Schedule 15 agreed to.

Finance Bill, continued

Clauses 64 and 65 agreed to.

Peter Dowd
Anneliese Dodds
Jeff Smith

Schedule 16, page 609, line 4, out “may” and insert “must” *Negatived on division 41*

Peter Dowd
Anneliese Dodds
Jeff Smith

Schedule 16, page 611, line 27, at end insert— *Negatived on division 42*

“Duty to publish information on operation of penalty regime

- 51A (1) The Commissioners must publish information about the operation of the penalty scheme in relation to each tax year within six months of the completion of that tax year.
- (2) Such information shall cover in particular—
- (a) the nature of the abusive tax arrangements giving rise to penalties,
 - (b) the extent to which such arrangements relate to offshore income, assets and activities,
 - (c) the extent to which people who would otherwise have been liable for a penalty under these provisions were not liable due to being convicted of a criminal offence in accordance with paragraph 52.”

Schedule agreed to.

Clause 66 agreed to.

Schedule 17 agreed to.

Clause 67 agreed to.

Schedule 18 agreed to.

Clause 68 agreed to.

Peter Dowd
Anneliese Dodds
Jeff Smith

Clause 69, page 91, line 16, at end insert— *Negatived on division 43*

“(1A) In Schedule 23 to FA 2011, after paragraph 65, insert—

- “66 (1) No later than 30 September 2020, the Commissioner shall undertake a review of the exercise of the powers under this Schedule in relation to relevant data holders specified in paragraph 13D.

Finance Bill, continued

- (2) The review shall consider in particular the number of appeals in relation to Data-holder Notices.
- (3) The Chancellor of the Exchequer shall lay a report of a review under this paragraph before the House of Commons within one month of its completion.”

Clause agreed to.

Clauses 70 to 72 agreed to.

NEW CLAUSES

Stella Creasy

Negatived on division 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.”

Stella Creasy

Negatived on division 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).

Finance Bill, *continued*

- (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.””
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Peter Dowd
Anneliese Dodds
Jeff Smith

Negatived on division 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.
- (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.”
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Kelvin Hopkins

Not selected NC4

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.”
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Finance Bill, continued

Peter Dowd
Anneliese Dodds
Jeff Smith

Negated on division NC5

To move the following Clause—

“Annual report on powers in relation to third country goods fulfilment businesses

- (1) The Commissioners must prepare a report on the operation of the provisions of Part 3 of this Act in relation to each tax year after their commencement within six months after the completion of that tax year.
- (2) The Chancellor of the Exchequer shall lay a report under subsection (1) before the House of Commons.
- (3) Each report under subsection (1) shall cover in particular—
 - (a) prosecutions for an offence under section 53,
 - (b) penalties imposed under Schedule 13,
 - (c) the effects on the operation of Part 3 of the United Kingdom’s withdrawal from the European Union or (as the case may be) preparations for that withdrawal,
 - (d) implications of the matters specified in sub-paragraph (c) for the activities and resource requirements of HMRC in connection with the provisions of this Part,
 - (e) implications of the matters specified in sub-paragraph (c) for the exercise of the powers to make regulations under Part 3, and
 - (f) HMRC’s assessment of the extent to which the operation of, or changes to the operation of, comparable provisions in other countries affect businesses in the United Kingdom.”

Bill, as amended, to be reported.
