



# House of Commons

Tuesday 9 January 2018

## PUBLIC BILL COMMITTEE

*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: 46 to 50 and NC11 to NC13*

### FINANCE (No. 2) BILL

**(Except Clause 8; Clause 33 and Schedule 9; Clauses 40 and 41 and Schedule 11; New Clauses or new Schedules relating to the income tax treatment of armed forces' accommodation allowances, the bank levy, stamp duty land tax, the effect of the Bill on equality, or the effect of the Bill on tax avoidance or evasion)**

#### 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**This document includes all amendments tabled to date and includes any withdrawn amendments at the end.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 Resolution of the Programming Sub-Committee.**

#### RESOLUTION OF THE PROGRAMMING SUB-COMMITTEE

*The Programming Sub-Committee appointed by the Speaker in respect of the Bill agreed the following Resolution at its meeting on Wednesday 20 December (Standing Order 83C):*

That—

- (1) the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 9 January) meet—
  - (a) at 2.00 pm on Tuesday 9 January;
  - (b) at 11.30 am and 2.00 pm on Thursday 11 January;
  - (c) at 9.25 am and 2.00 pm on Tuesday 16 January;
  - (d) at 11.30 am and 2.00 pm on Thursday 18 January;
- (2) the proceedings shall be taken in the following order: Clauses 1 to 7; Clauses 9 to 11; Schedule 1; Clause 12; Schedule 2; Clause 13; Schedule 3; Clauses 14 to 16; Schedule 4; Clause 17; Schedule 5; Clause 18; Schedule 6; Clauses 19 to 23; Schedule 7; Clause 24; Schedule 8; Clauses 25 to 32; Clauses 34 and 35; Schedule 10; Clauses 36 to 39; Clause 42; Schedule 12; Clauses 43 to 50; new Clauses; new Schedules; remaining proceedings on the Bill;

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10

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**Finance (No. 2) Bill, continued**

- 15 (3) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 18 January.

*Mel Stride has given notice of his intention to move a motion in the terms of the Resolution of the Programming Sub-Committee [Standing Order No. 83C].*

As Amendments to Mel Stride’s proposed Motion—

Kirsty Blackman  
Alison Thewliss

Leave out line 4

(a)

Kirsty Blackman  
Alison Thewliss

Line 7, at end insert—

- “(1A) The Committee shall hear oral evidence in accordance with the following Table—

**TABLE**

<i>Date</i>	<i>Time</i>	<i>Witnesses</i>
Thursday 11 January	Until no later than 12.15 pm	HM Treasury; HM Revenue and Customs
Thursday 11 January	Until no later than 1.00 pm	The Office for Budget Responsibility
Thursday 11 January	Until no later than 3.30 pm	The Institute for Fiscal Studies
Thursday 11 January	Until no later than 5.00 pm	The Chartered Institute of Taxation”

Kirsty Blackman  
Alison Thewliss

Line 15, at end insert—

- “(4) The Committee recommends that the programme order of the House [11 December 2017] should be amended in paragraph 7 by substituting “25 January” for “18 January”.”

(c)

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Mel Stride

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.

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**Finance (No. 2) Bill, continued**

Peter Dowd  
Anneliese Dodds  
Jeff Smith

34

Schedule 1, page 57, line 33, at end insert “or such higher amount as may be determined in accordance with sub-paragraphs (1A) to (1D).

(1A) This sub-paragraph applies where the loan is between £100,000 and £199,999.

(1B) This sub-paragraph applies where the loan is a multiple of £100,000.

(1C) Where sub-paragraph (1A) applies, the penalty is £600.

(1D) Where sub-paragraph (1B) applies, the penalty is the equivalent multiple of £300.”

***Member’s explanatory statement***

*This amendment provides for higher penalties for failure to comply with paragraph 35C where the amount of the loan is greater.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

35

Schedule 1, page 57, line 38, after “£60”, insert “or such higher amount as may be determined in accordance with sub-paragraphs (4) to (7)”.

***Member’s explanatory statement***

*This amendment paves the way for Amendment 36.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

36

Schedule 1, page 57, line 39, at end insert—

“(4) This sub-paragraph applies where the loan is between £100,000 and £199,999.

(5) This sub-paragraph applies where the loan is a multiple of £100,000.

(6) Where sub-paragraph (4) applies, the penalty is £120.

(7) Where sub-paragraph (5) applies, the penalty is the equivalent multiple of £60.”

***Member’s explanatory statement***

*This amendment provides for higher penalties for continued failure to comply with paragraph 35C where the amount of the loan is greater.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

37

Schedule 1, page 58, line 10, at end insert “or such higher amount as may be determined in accordance with sub-paragraphs (6A) to (6D).

(6A) This sub-paragraph applies where the loan is between £100,000 and £199,999.

(6B) This sub-paragraph applies where the loan is a multiple of £100,000.

(6C) Where sub-paragraph (6A) applies, the penalty is £6,000.

(6D) Where sub-paragraph (6B) applies, the penalty is the equivalent multiple of £3,000.”

***Member’s explanatory statement***

*This amendment provides for higher penalties for inaccurate information or documents relating to compliance with paragraph 35C where the amount of the loan is greater.*

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**Finance (No. 2) Bill, continued**

Peter Dowd  
Anneliese Dodds  
Jeff Smith

38

Schedule 1, page 60, line 20, at end insert—

- “17 (1) The amendments made by paragraphs 9 to 12 have effect in accordance with the provisions of this paragraph.
- (2) No later than two months after the passing of this Act, the Chancellor of the Exchequer and the Commissioners shall undertake an assessment of the profile of those holding loans to which the amendments made by those paragraphs apply.
- (3) A review under this paragraph shall consider what discretionary arrangements it is appropriate for the Commissioners to take in relation those holding such loans who are not higher rate taxpayers.
- (4) The amendments made by paragraphs 9 to 12 shall have effect when the Chancellor of the Exchequer has laid before the House of Commons a report of the review under this paragraph.”

***Member’s explanatory statement***

*This amendment provides for commencement of the provisions of Part 4 of the Schedule to take place after the publication of a review of the profile of those affected, and in particular on lower paid taxpayers.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

39

Schedule 3, page 65, line 28, at end insert “or

- (j) the pension scheme is a Master Trust scheme which has not complied with the relevant requirements of section 159E(2).”

***Member’s explanatory statement***

*This amendment paves the way for Amendment 41.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

40

Schedule 3, page 65, line 37, at end insert “or

- (i) the pension scheme is a Master Trust scheme which has not complied with the relevant requirements of section 159E(3).”

***Member’s explanatory statement***

*This amendment paves the way for Amendment 41.*

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 Finance (No. 2) Bill, *continued*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

41

Schedule 3, page 65, line 37, at end insert—

“(4A) After section 159D, insert—

*Additional registration requirements for Master Trust schemes*

**159E Additional registration requirements for Master Trust schemes**

- (1) This section establishes additional registration requirements for Master Trust schemes.
- (2) In respect of any such scheme, an investment strategy must be presented to the Commissioners prior to registration.
- (3) In respect of any such scheme, and in respect of each year of registration, an annual report must be published on administration, fund management costs and transaction costs for each asset class and for active and passive asset management strategies.”

***Member’s explanatory statement***

*This amendment requires additional information to be provided on investment strategies and costs for Master Trust schemes prior to and in each year of registration with HMRC.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

42

Schedule 3, page 67, line 14, after “153(5)(i)”, insert “and (j)”

***Member’s explanatory statement***

*This amendment is consequential on Amendment 41.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

43

Schedule 3, page 67, line 16, after “158(1)(h)”, insert “and (i)”

***Member’s explanatory statement***

*This amendment is consequential on Amendment 41.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

44

Schedule 3, page 67, line 17, at end insert—

“(ba) sub-paragraph (4A);”

***Member’s explanatory statement***

*This amendment is consequential on Amendment 41.*

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Finance (No. 2) Bill, *continued*

Mel Stride

1

Schedule 5, page 75, line 36, at end insert—

*“Non-qualifying loans*

6A (1) Section 285 of ITA 2007 (interpretation of Chapter 3 etc of Part 6) is amended as follows.

(2) In subsection (2)—

(a) omit “(whether secured or not)”;

(b) at the end of paragraph (b) insert “, or

(c) any liability of the company in respect of a loan to which subsection (2A) applies that has been made to the company.”

(3) After that subsection insert—

“(2A) This subsection applies to a loan if—

(a) the return on the loan represents more than a commercial rate of return, or

(b) the loan is made on terms which grant to a person or allow a person to acquire—

(i) any security or preferential rights in relation to assets of the company, or

(ii) the ability to control the company.

In sub-paragraph (ii) “control” has the meaning given by sections 450 and 451 of CTA 2010.

(2B) The return on a loan is not to be treated as representing more than a commercial rate for the purposes of subsection (2A)(a) if—

(a) the return on the loan during the period of 5 years from the making of the loan does not exceed 50% of the amount lent, and

(b) the total return on the loan does not exceed—

$$N \times A \times 10\%$$

where—

N is the number of years (including any fraction) in the term of the loan;

A is the amount lent or, in a case where some of the loan is repaid during the term of the loan, the average amount outstanding during that term.

(2C) The Treasury may by regulations substitute a different figure for a figure that is at any time specified in subsection (2B)(a) or (b).

(2D) In subsections (2A)(a) and (2B) “return” means interest, fees, charges and other amounts payable in respect of the loan.

(2E) Where it is to any extent not known, before the end of the term of a loan, what amounts will be payable in respect of the loan—

(a) subsections (2A)(a) and (2B) apply, until the relevant matters are ascertained, on the basis of what amounts can reasonably be expected to be payable;

(b) when those matters are ascertained, any necessary adjustments must be made by making or amending

**Finance (No. 2) Bill, continued**

assessments or by repayment or discharge of tax (regardless of any limitation on the time within which assessments or amendments may be made).””

Peter Dowd  
Anneliese Dodds  
Jeff Smith

45

Schedule 6, page 88, line 32, at end insert—

“PART 6

RETURNS: PAYMENT ON ACCOUNT

- 16 (1) TMA 1970 is amended as follows.  
(2) After section 12AC (notice of enquiry), insert—

**“12ACA Requirement for payment on account**

- (1) In any case where notice of an enquiry has been given under section 12AC(1) in respect of a return, an officer of the Board may require a payment on account from a partner in respect of that partner and other partners (whether in respect of that return or a return for a subsequent tax year).  
(2) Sections 59A and 59AB apply to payments made under this section as they apply to payments made under section 59A.”

***Member’s explanatory statement***

*This amendment enables HMRC to require payments on account from partners in respect of themselves to allow for unknown partners in any case where there has previously been a notice of an enquiry in connection with a return.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

50

★ Schedule 6, page 88, line 32, at end insert—

“PART 6

RETURNS: PAYMENT ON ACCOUNT

- 16 (1) TMA 1970 is amended as follows.  
(2) After section 12AC (notice of enquiry), insert—

**“12AD Review of proposal for power to require payment on account**

- (1) Within one month of the passing of the Finance Act 2018 the Chancellor of the Exchequer must commission a review into the effects of introducing a power to allow HMRC to require payment on account for returns where an enquiry has been given under section 12AC(1) in respect of a return.  
(2) The review under this section must consider—

**Finance (No. 2) Bill, continued**

- (a) the administrative implications for HMRC,
  - (b) the impact on the taxation regime for partnerships, and
  - (c) the potential revenue effects of the change.
- (3) The Chancellor of the Exchequer must lay the report of this review before the House of Commons within six months of the passing of the Finance Act 2018.””

**Member’s explanatory statement**

*This amendment requires the Chancellor of the Exchequer to review the effects of introducing a power to require partnerships to make a payment on account in respect of a return when there has previously been a notice of an enquiry in connection with a return.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

49

★ Schedule 7, page 96, line 22, at end insert—

*“Review of operations*

18A After section 259M, insert—

**“259O Hybrid and other mismatches measures: review of operation**

- (1) Within 12 months after the passing of the Finance Act 2018, the Chancellor of the Exchequer must review the operation of the measures in this Part.
- (2) The review under this section must consider—
  - (a) the impact of the measures on the use of hybrid transfer arrangements;
  - (b) the impact of the measures on the revenue effects of the use of hybrid transfer arrangements to reduce a person’s tax liability;
  - (c) possible alternative or additional measures to reduce the use of hybrid transfer arrangements to reduce a person’s tax liability;
  - (d) whether the measures constitute application of EU Directive 2016/1164 (“The Anti Tax Avoidance Directive”), including in what ways the measures do not constitute an application of that directive.
- (3) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under this section as soon as practicable after its completion.””

**Member’s explanatory statement**

*This amendment provides for a review of the measures against hybrid transfer arrangements to reduce a taxpayer’s tax liability, and that this review consider whether alternative or additional measures would be more appropriate, and how these measures compare to the EU Anti Tax Avoidance Directive.*



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**Finance (No. 2) Bill, continued**

Mel Stride 46  
 ★ Schedule 8, page 100, line 24, at end insert “or held for distribution to owners”

Mel Stride 47  
 ★ Schedule 8, page 100, leave out lines 27 to 29 and insert “each of the following expressions has the meaning given by international accounting standards—  
     “held for distribution to owners”  
     “held for sale”  
     “subsidiary”.”

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Peter Dowd  
 Anneliese Dodds  
 Jeff Smith 48

★ Clause 26, page 18, line 35, at end insert—  
     “(7A) Within 12 months of the passing of this Act, the Chancellor of the Exchequer must review the impact of the provisions of this section.  
     (7B) A review under subsection (7A) must consider the revenue effects of freezing indexation allowance for gains chargeable to corporation tax.  
     (7C) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under subsection (7A) as soon as practicable after its completion.”

**Member’s explanatory statement**

*This amendment provides for a review to be undertaken on the revenue effects of freezing indexation allowance for gains chargeable to corporation tax in Clause 26 of the Bill.*

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Mel Stride 2  
 Schedule 10, page 146, line 7, after “is” insert “—  
     (a) where the individual is UK resident for the year,”

Mel Stride 3  
 Schedule 10, page 146, line 9, at end insert “, and  
     (b) where the individual is non-UK resident for the year, treated for the purposes of subsection (2) (but no other purpose) as income of the individual for the year, subject to subsection (5).”

Mel Stride 4  
 Schedule 10, page 146, line 33, leave out from “purposes” to second “for” in line 34 and insert “as income of the settlor for the year and, in a case within paragraph (a), not as income of the individual”

Finance (No. 2) Bill, *continued*

Mel Stride

5

Schedule 10, page 147, line 4, at end insert—

“(7) If—

- (a) an enactment other than this section contains a reference (however expressed) to—
  - (i) income treated as arising by this section, or
  - (ii) an amount treated as income by this section, and
- (b) the reference mentions this section without mentioning any particular provision of this section,

the reference is (in accordance with subsection (1)(b)) to be read as not including amounts treated as income by subsection (1)(b) except so far as they are treated as income of the settlor of a settlement by subsection (3) or (4).”

Mel Stride

6

Schedule 10, page 148, line 4, at end insert—

“(4) In this section and sections 643C to 643M, a reference to a benefit provided by trustees of a settlement is to—

- (a) a benefit treated by subsection (6) as provided by the trustees, or
- (b) any other benefit if it is provided by the trustees directly, or indirectly, out of—
  - (i) property comprised in the settlement, or
  - (ii) income arising under the settlement.

(5) In this section and sections 643C to 643M, a reference to a benefit provided by trustees of a settlement to an individual is to—

- (a) a benefit treated by subsection (6) as provided by the trustees to the individual, or
- (b) any other benefit if it is provided by the trustees to the individual directly, or indirectly, out of—
  - (i) property comprised in the settlement, or
  - (ii) income arising under the settlement.

(6) Where—

- (a) income arises under a settlement, and
- (b) the income, before being distributed, is the income of a person other than the trustees,

a benefit is for the purposes of subsection (4)(a) treated as provided by the trustees and is for the purposes of subsection (5)(a) treated as provided by the trustees to the person.

(7) A benefit treated as provided by subsection (6) is treated—

- (a) as consisting of the income mentioned in that subsection, but after any reduction in accordance with Chapter 8 of Part 9 of ITA 2007 for trustees’ expenses, and
- (b) as provided at the time that income arises.”

Mel Stride

7

Schedule 10, page 148, leave out lines 14 to 18 and insert—

“PFSI is the total of—

- (a) any protected foreign-source income—

**Finance (No. 2) Bill, continued**

- (i) arising under the settlement in the year or in any earlier tax year,
  - (ii) that would be treated under section 624 as income of the settlor but for section 628A,
  - (iii) that can be used directly or indirectly to provide benefits for the individual, and
  - (iv) on which the individual is not liable to income tax (ignoring for this purpose any liability under section 643A), and
- (b) any protected foreign-source income—
- (i) arising under the settlement in the year or in any earlier tax year,
  - (ii) that would be treated under section 629 as income of the settlor but for section 630A, and
  - (iii) on which the relevant child concerned (see section 629) is not liable to income tax (ignoring for this purpose any liability under section 643A),”

Mel Stride	<b>8</b>
Schedule 10, page 148, line 25, leave out “all amounts which” and insert “so much of PFSI as is”	
Mel Stride	<b>9</b>
Schedule 10, page 148, line 26, leave out “are”	
Mel Stride	<b>10</b>
Schedule 10, page 148, line 29, leave out “all amounts which” and insert “so much of PFSI as is”	
Mel Stride	<b>11</b>
Schedule 10, page 148, line 30, leave out “are”	
Mel Stride	<b>12</b>
Schedule 10, page 149, line 33, leave out “available”	
Mel Stride	<b>13</b>
Schedule 10, page 149, leave out lines 37 to 40	
Mel Stride	<b>14</b>
Schedule 10, page 149, line 41, at end insert—	
“(6) In this section and section 643G—	
“protected income” means the income that forms PFSI in the calculation of the settlement’s available protected income in the case of the relevant individual for the year, and	
“the relevant individual”—	

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**Finance (No. 2) Bill, *continued***

- (a) where the deemed income is treated as income of an individual by section 643A(1)(a) both before and after the application of section 643A(3) and (4), means that individual, and
- (b) where the deemed income is treated as income of the settlor by section 643A(3) or (4) after having been treated as income of another individual by section 643A(1), means that other individual.”

Mel Stride

**15**

Schedule 10, page 149, line 43, leave out “subsection (2)” and insert “this section”

Mel Stride

**16**

Schedule 10, page 150, line 2, leave out from “settlement,” to end of line 7 and insert “the year and the relevant individual,

- (b) “protected income” and “the relevant individual” have the meaning given by section 643F(6), and
- (c) “the settlement” and “the year” mean, respectively, the settlement and tax year mentioned in section 643F.”

Mel Stride

**17**

Schedule 10, page 150, line 10, after first “the” insert “relevant”

Mel Stride

**18**

Schedule 10, page 150, line 16, leave out “available”

Mel Stride

**19**

Schedule 10, page 150, line 17, at end insert—

- “(ca) where the whole or part of an item of the protected income is, in respect of benefits provided by the trustees in the year or in any earlier tax year, taken into account in charging income tax under Chapter 2 of Part 13 of ITA 2007 (transfer of assets abroad) for the year or any earlier tax year, reduce the item by so much of itself as is so taken into account,
- (cb) where the whole or part of an item of the protected income is, by reference to benefits provided by the trustees to individuals other than the relevant individual, treated by section 643A or 643J or 643L as income for the year or any earlier tax year, reduce the item by so much of itself as is so treated,”

Mel Stride

**20**

Schedule 10, page 150, line 18, leave out “643A as arising to the” and insert “643A(1) (before the application of section 643A(3) and (4)) as arising to the relevant”

Mel Stride

**21**

Schedule 10, page 150, line 19, after “benefits” insert “referred to in paragraph (a)”

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**Finance (No. 2) Bill, *continued***

Mel Stride		<b>22</b>
	Schedule 10, page 150, line 23, after “benefits” insert “referred to in paragraph (a)”	
Mel Stride		<b>23</b>
	Schedule 10, page 150, line 24, leave out “available”	
Mel Stride		<b>24</b>
	Schedule 10, page 150, line 25, leave out second “the” and insert “those”	
Mel Stride		<b>25</b>
	Schedule 10, page 150, line 26, leave out “available”	
Mel Stride		<b>26</b>
	Schedule 10, page 150, line 27, at end insert—	
	“(3) For the purposes of subsection (2)(ca), the whole or part of an item of the protected income is to be treated as taken into account in respect of a benefit so far as the item or part—	
	(a) is matched under section 735A of ITA 2007 with notional income with which the benefit is matched under that section, or	
	(b) would be matched under that section (if it applied also for this purpose) with notional income with which the benefit would be matched under that section (if it applied also for this purpose),	
	and here “notional income” means income which is treated as arising under section 732 of ITA 2007.”	
Mel Stride		<b>27</b>
	Schedule 10, page 150, line 47, leave out “643A(1),” and insert “643A(1)(a),”	
Mel Stride		<b>28</b>
	Schedule 10, page 152, leave out lines 10 to 19 and insert—	
	“(2) Where, in a case within subsection (1)(a)(i) and by reference to the amount mentioned in subsection (1)(a), income is treated by section 643J or 643L as arising to a person for a tax year, the original beneficiary is not liable to tax for any later tax year on so much of the amount mentioned in subsection (1)(a) as is equal to that income; and where, in a case within subsection (1)(a)(ii) and by reference to the amount mentioned in subsection (1)(a), income is treated by section 643J as arising to a person for a tax year, the settlor is not liable to tax for any later tax year on so much of the amount mentioned in subsection (1)(a) as is equal to that income.”	
Mel Stride		<b>29</b>
	Schedule 10, page 154, line 38, leave out “643A(1)” and insert “643A(1)(a), both before and after the application of section 643A(3) and (4),”	

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**Finance (No. 2) Bill, continued**

Mel Stride

30

Schedule 10, page 156, line 40, at end insert—  
 “(ca) the original recipient is not taxed on the original benefit (see subsection (6A)),”

Mel Stride

31

Schedule 10, page 158, line 15, at end insert—  
 “(6A) For the purposes of subsection (1)(ca), the original recipient is taxed on the original benefit if the original recipient is liable to income tax, or capital gains tax, by reference to the amount or value of the original benefit; and where the original recipient is so liable by reference to the amount or value of part only of the original benefit, this section applies as if the two parts of the original benefit were separate benefits.”

Mel Stride

32

Schedule 10, page 158, line 21, at end insert—  
 “and see also section 643B(4) to (7) (interpretation of references to provision of benefits by trustees).”

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 Kirsty Blackman  
 Alison Thewliss

33

Clause 39, page 29, line 43, leave out “day on which this Act is passed” and insert “22 November 2017”.

***Member’s explanatory statement***

*This amendment would change the date from which the amendment to VATA 1994 (refunds of VAT in certain cases) would come into effect and would allow the public authorities set out in this clause to claim VAT refunds from 22 November 2017.*

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 NEW CLAUSES
Kirsty Blackman  
Alison Thewliss

NC1

To move the following Clause—

**“Review of retrospective VAT refunds for the Scottish Fire and Rescue Service and the Scottish Police Authority**

- (1) Within one month of this Act receiving Royal Assent, the Chancellor of the Exchequer shall commission a review of the potential consequences of allowing the Scottish Fire and Rescue Service and the Scottish Police Authority to claim VAT refunds under section 33 of VATA 1994 retrospective to the date of their establishment.

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**Finance (No. 2) Bill, continued**

- (2) The review shall consider—
  - (a) the administrative consequences of allowing retrospective claims, and
  - (b) the impact on revenue of allowing retrospective claims.
- (3) The Chancellor of the Exchequer shall lay the report of this review before the House of Commons within six months of this Act receiving Royal Assent.”

**Member’s explanatory statement**

*This new clause would require the Chancellor of the Exchequer to commission a review into what the potential consequences of allowing the Scottish Fire and Rescue Service and the Scottish Police Authority to make retrospective claims for VAT refunds would be.*

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Kirsty Blackman  
Alison Thewliss

NC2

To move the following Clause—

**“Review of the impact of the removal of the transitional taxation arrangements for carried interest**

- (1) Within two months of Royal Assent to this Act, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review of the impact of the removal of transitional taxation arrangements for sums to which sections 43 and 45 of the Finance (No. 2) Act 2015 apply.
- (2) The Chancellor of the Exchequer shall lay the report of this review before the House of Commons.”

**Member’s explanatory statement**

*This new clause would require HMRC to carry out a review of the impact of removing transitional tax arrangements for sums to which sections 43 and 45 of the Finance (No. 2) Act 2015 apply.*

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Kirsty Blackman  
Alison Thewliss

NC3

To move the following Clause—

**“Review of the effects of changes to the transferable tax allowance for married couples and civil partners**

- (1) Within six months of this Act receiving Royal Assent, the Commissioners for Her Majesty’s Revenue and Customs shall complete a review of the effects and cost of changes made by section 6 of this Act to Chapter 3A of Part 3 of ITA 2001 (transferable tax allowance).
- (2) The Chancellor of the Exchequer shall lay the report of this review before the House of Commons.”

**Member’s explanatory statement**

*This new clause would require HMRC to carry out a review of the effects of changes to the*

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**Finance (No. 2) Bill, continued**

*transferable tax allowance for married couples and civil partners arising from changes to Chapter 3A of Part 3 of ITA 2007 made by Clause 6 of the Bill.*

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Kirsty Blackman  
Alison Thewliss

NC4

To move the following Clause—

**“Review of the impact of increasing Research and Development Expenditure Credit**

- (1) Within one month of Royal Assent to this Act, the Chancellor of the Exchequer shall commission a review of the impact of increasing the Research and Development Expenditure Credit from 11% to 12%.
- (2) The review shall consider—
  - (a) the effect of the 1% increase on companies’ research and development spending in the UK, and
  - (b) what effect the increase in Research and Development Expenditure Credit will have on changes to companies’ research and development spending in the UK as a result of leaving the EU.
- (3) The Chancellor of the Exchequer shall lay the report of this review before the House of Commons within six months of this Act receiving Royal Assent.”

***Member’s explanatory statement***

*This new clause would require the Chancellor of the Exchequer to commission a review of the effect of the increase in Research and Development Expenditure Credit from 11% to 12% on companies’ research and development spending and what effect the increase will have on any changes to companies’ R&D spending as a result of the UK leaving the EU.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

NC5

To move the following Clause—

**“Impact of benefit in kind tax supplement on the use of diesel cars**

- (1) Chapter 6 of Part 3 of ITEPA 2003 is amended as follows.
- (2) After section 141, insert—

**“141A Impact of benefit in kind tax supplement on the use of diesel cars**

- (1) Within six months of the passing of the Finance Act 2018, the Chancellor of the Exchequer must review the effects of the changes to this Chapter made by section 9 of that Act.
- (2) The review under this section must consider the effects of those changes on—
  - (a) the use of diesel cars, and
  - (b) the Government’s emission reduction targets.



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**Finance (No. 2) Bill, continued**

- (3) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under this section as soon as practicable after its completion.””

**Member’s explanatory statement**

*This new clause requires the Treasury to carry out a review of the effect of the provisions of Clause 9 on the use of diesel cars and on emission reduction targets.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

NC6

To move the following Clause—

**“Review of risk to capital changes**

- (1) Within fifteen months after the first exercise of the power to make regulations under section 14(4), the Chancellor of the Exchequer must review the effects of the changes made by section 14.
- (2) The review under this section must consider—
  - (a) the revenue effects of the changes, and
  - (b) the effects on the long-term growth and development of companies.
- (3) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under this section as soon as practicable after its completion.”

**Member’s explanatory statement**

*This new clause provides for a post-implementation review of the changes in Clause 14.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

NC7

To move the following Clause—

**“Review of changes to EIS and VCT reliefs for knowledge-intensive companies**

- (1) Within fifteen months after the first exercise of the power to make regulations under paragraph 10 of Schedule 4, the Chancellor of the Exchequer must review the effects of the changes made by that Schedule.
- (2) The review under this section must consider—
  - (a) the revenue effects of the changes, and
  - (b) the effects on the policy objective to facilitate and encourage additional investment in innovative companies developing and exploiting new technologies.

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**Finance (No. 2) Bill, continued**

- (3) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under this section as soon as practicable after its completion.”

**Member’s explanatory statement**

*This new clause provides for a post-implementation review of the changes in Schedule 4.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

NC8

To move the following Clause—

**“EIS, SEIS, SI and VCT reliefs: review of operation**

- (1) Within twelve months after the passing of this Act, the Chancellor of the Exchequer must review the operation of the reliefs established under Parts 5, 5A, 5B and 6 of ITA 2007.
- (2) The review under this section must consider—
- (a) the revenue effects of the reliefs and changes made to those reliefs since the passing of the Finance Act 2012,
  - (b) the employment effects of the reliefs and those changes,
  - (c) other economic effects of the reliefs and those changes, and
  - (d) the extent to which trusts or other entities have been created to secure benefits from the reliefs and those changes without providing wider employment or economic benefits.
- (3) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under this section as soon as practicable after its completion.”

**Member’s explanatory statement**

*This new clause provides for a review of the operation of the enterprise investment scheme, the seed enterprise investment scheme, income tax relief for social investments and venture capital trusts income tax relief.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

NC9

To move the following Clause—

**“Review of change to level of research and development expenditure credit**

- (1) No later than 31 March 2019, the Chancellor of the Exchequer must review the effects of the change to the level of research and development expenditure made by section 19(1).
- (2) The review under this section must consider—
- (a) the revenue effects of the change, and
  - (b) the effects on levels of research and development expenditure.

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**Finance (No. 2) Bill, continued**

- (3) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under this section as soon as practicable after its completion.”

**Member's explanatory statement**

*This new clause provides for a review of the change to the level of research and development expenditure credit.*

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Ruth George

NC10

To move the following Clause—

**“Analysis of effect of income tax rates on incentives into employment**

- (1) The Office for Budget Responsibility must review the impact of the rates of income tax specified in sections 3 and 4 in accordance with this section within six months of the passing of this Act.
- (2) A review under this section must consider the impact of the rates of income tax specified in sections 3 and 4 on the incentives for individuals to seek employment, including—
- (a) whether those rates create, or detract from, an incentive for those not employed to enter into employment,
  - (b) whether those rates create, or detract from, an incentive for those currently in employment entering into new employment at a different level of income, and
  - (c) to what degree those rates create, or detract from, any such incentive.
- (3) A review under this section must also consider those rates in the context of—
- (a) National Insurance contributions,
  - (b) tax credits, and
  - (c) social security benefits.
- (4) A review under this section must give separate analyses in relation to the impact of the rates of income tax specified in sections 3 and 4 in different parts of the United Kingdom.
- (5) In this section—
- “parts of the United Kingdom” means—
- (a) England,
  - (b) Scotland,
  - (c) Wales, and
  - (d) Northern Ireland.
- (6) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under this section as soon as practicable after its completion.”
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**Finance (No. 2) Bill, continued**

Peter Dowd  
Anneliese Dodds  
Jeff Smith

NC11

★ To move the following Clause—

**“Review of financial impact of postponement of charge on share exchange in overseas transferee company**

- (1) Within twelve months after the passing of this Act, the Chancellor of the Exchequer must review the financial impact of the changes made by section 27 of this Act to section 140 TCGA.
- (2) The review under this section must consider—
  - (a) the revenue effects of the change made, and
  - (b) the extent to which the change has supported UK companies to conduct international business.
- (3) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under this section as soon as practicable after its completion.”

***Member’s explanatory statement***

*This new clause provides for a review of the revenue impact and the impact on business of the change to TCGA to prevent a postponed chargeable gain from becoming chargeable following further restructuring of a UK Company’s overseas business.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

NC12

★ To move the following Clause—

**“First Year Tax Credits: Review of effectiveness**

- (1) The Chancellor of the Exchequer must commission a review of the effectiveness of First Year Tax Credits.
- (2) The review under this section must consider—
  - (a) the effectiveness of First Year Tax Credits on—
    - (i) encouraging investment in efficient plant and machinery,
    - (ii) reducing the consumption of energy by business,
    - (iii) aiding the UK’s carbon reduction obligations, and
  - (b) the impact on revenue of the tax credits.
- (3) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under this section within twelve months of the passing of this Act.”

***Member’s explanatory statement***

*This new clause would require the Chancellor of the Exchequer to commission and lay before the House of Commons a report into the effectiveness of First Year Tax Credits.*

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**Finance (No. 2) Bill, continued**

Peter Dowd  
Anneliese Dodds  
Jeff Smith

NC13

★ To move the following Clause—

**“Review of effectiveness of limit to double taxation relief**

- (1) No later than 31 March 2019, the Chancellor of the Exchequer must review the effects of the limit to double taxation relief made by section 30.
- (2) The review under this section must consider—
  - (a) the effects of the change on annual revenue, and—
  - (b) the size and type of companies benefiting from the relief and the impact of the changes on them.
- (3) The Chancellor of the Exchequer must lay before the House of Commons the report of the review under this section as soon as practicable after its completion.”

***Member’s explanatory statement***

*This new clause provides for a review of the new limit for double taxation relief available to companies for foreign tax paid on income of a foreign permanent establishment.*

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ORDER OF THE HOUSE [11 DECEMBER 2017]

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—
  - (a) Clause 8 (exemption for armed forces’ accommodation allowances);
  - (b) Clause 33 and Schedule 9 (the bank levy);
  - (c) Clauses 40 and 41 and Schedule 11 (stamp duty land tax);
  - (d) New Clauses or new Schedules relating to—
    - (i) The income tax treatment of armed forces’ accommodation allowances,
    - (ii) The bank levy,
    - (iii) Stamp duty land tax,
    - (iv) The effect of the Bill on equality, or
    - (v) The effect of the Bill on tax avoidance or evasion.
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 two days.
4. Those proceedings shall be taken on each of those days 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.

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**Finance (No. 2) Bill, *continued***
**TABLE**

<i>Proceedings</i>	<i>Time for conclusion of proceedings</i>
First day	
Clause 33, Schedule 9, new Clauses and new Schedules relating to the bank levy	3 hours from commencement of proceedings on the Bill on the first day
Clause 40, Schedule 11, Clause 41, Clause 8, new Clauses and Schedules relating to stamp duty land tax, new Clauses and Schedules relating to the income tax treatment of armed forces' accommodation allowances	6 hours from commencement of proceedings on the Bill on the first day
Second day	
New Clauses and new Schedules relating to the effect of the Bill on equality	3 hours from commencement of proceedings on the Bill on the second day
New Clauses and new Schedules relating to the effect of the Bill on tax avoidance or evasion	6 hours from commencement of proceedings on the Bill on the second day

*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 Thursday 18 January 2018.
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 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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