



# House of Commons

Tuesday 16 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*

### 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**This document includes all amendments remaining before the Committee and includes any withdrawn amendments at the end. The amendments have been arranged in accordance with the Order of the Committee [9 January 2018].**

Peter Dowd  
Anneliese Dodds  
Jeff Smith

54

Clause 32, page 23, line 37, at end insert—

“(2A) After section 6 of TIOPA 2010 (the effect given by section 2 to double taxation arrangements), insert—

**“6A Review of changes made by section 32 of Finance Act 2018**

- (1) Within twelve months of the passing of the Finance Act 2018, the Chancellor of the Exchequer must review the effects of the changes made by section 32 of that Act on the operation of double taxation arrangements.
- (2) The review under this section must consider in particular—
  - (a) the extent to which those changes facilitate UK law giving effect to the Multilateral Instrument in a way which coheres with the principles of Policy Coherence for Development;

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

- (b) the extent to which those changes facilitate UK law giving effect to the Multilateral Instrument in a way which coheres with the UN Model Tax Treaty;
  - (c) the effect of those changes on the number of disputes decided by arbitration;
  - (d) the counterparties in each such case;
  - (e) the outcome in each such case; and
  - (f) the effects of those changes on the public revenue of the United Kingdom.
- (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.
- (4) In this section—
- “the Multilateral Instrument” means the Multilateral Treaty to Implement Tax Treaty related Measures to Prevent Base Erosion and Profit Shifting;
  - “the principles of Policy Coherence and Development” are to be interpreted in the light of relevant publications of the Organisation of Economic and Development Cooperation and of the 2011 Busan Partnership for Effective Development Cooperation, the UN Millennium Declaration and the 2010 UN Millennium Development Goals Summit; and
  - “the UN Model Tax Treaty” means the United Nations Model Double Taxation Convention between Developed and Developing Countries published in 2011.”

Peter Dowd  
Anneliese Dodds  
Jeff Smith

55

Clause 32, page 24, line 3, leave out subsection (4).

***Member’s explanatory statement***

*This amendment removes the retrospective effect of the foregoing provisions of Clause 32.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

62

Schedule 10, page 142, line 40, at end insert—

**“87Q Review of taxation of capital payments received from a settlement**

- (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 Schedule 10 to that Act.
- (2) The review under this section must consider the effects of those changes on—
  - (a) the taxation regime for settlements, and
  - (b) anti-avoidance measures for settlements.

**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 amendment requires the Chancellor of the Exchequer to review the effects of changes to TCGA 1992 made by the Bill in relation to the taxation of capital payments received from a settlement.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

63

Schedule 10, page 142, line 40, at end insert—

**“87Q Public register of capital payments received from settlements**

- (1) The Chancellor of the Exchequer must by regulations establish a register of capital payments received from settlements to which this Chapter applies within 12 months of the passing of the Finance Act 2018.
- (2) A register established under subsection (1) shall record in relation to capital payments—
- (a) the recipient beneficiary;
  - (b) the settlor; and
  - (c) the trustees of the settlement from which the capital payment is received.
- (3) That part of the register containing information in paragraph (c) shall be made available to the public.”

(1A) In section 98(1), after “87”, insert “, 87Q”.””

**Member’s explanatory statement**

*This amendment creates an obligation for the Chancellor of the Exchequer to create a public register of trust beneficiaries, settlors, and trustees. It also amends section 98(1) of TCGA 1992 to expand, to include new section 87Q, the existing power for HMRC to require any person to provide information as they think necessary to fulfil certain sections of that Act.*

Mel Stride

2

Schedule 10, page 146, line 7, after “is” insert “—

- (a) where the individual is UK resident for the year,”

Mel Stride

51

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) and sections 643I to 643L (but no other purpose) as income of the individual for the year, subject to subsection (5).”

Mel Stride

52

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 (b), 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)”

Finance (No. 2) Bill, *continued*

Mel Stride		22
	Schedule 10, page 150, line 23, after “benefits” insert “referred to in paragraph (a)”	
Mel Stride		23
	Schedule 10, page 150, line 24, leave out “available”	
Mel Stride		24
	Schedule 10, page 150, line 25, leave out second “the” and insert “those”	
Mel Stride		25
	Schedule 10, page 150, line 26, leave out “available”	
Mel Stride		26
	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		27
	Schedule 10, page 150, line 47, leave out “643A(1),” and insert “643A(1)(a),”	
Mel Stride		53
	Schedule 10, page 151, line 7, at end insert “or	
	(iii) is treated by section 643A(1)(b), before the application of section 643A(3) and (4), as income of an individual (“the original beneficiary”) for a tax year (“the matching year”) but is not treated by section 643A(3), and is not treated by section 643A(4), as income of the settlor for the matching year,”	
Mel Stride		28
	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	

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

any later tax year on so much of the amount mentioned in subsection (1)(a) as is equal to that income.”

Mel Stride

**29**

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),”

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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Peter Dowd  
Anneliese Dodds  
Jeff Smith

**56**

Clause 38, page 27, line 6, leave out “69” and insert “69(1)”  
*Member’s explanatory statement*  
*This amendment specifies the subsection of section 69 of the Value Added Tax Act 1994 that is being amended by Clause 38(2).*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

**57**

Clause 38, page 27, line 9, at end insert—  
“(2A) In subsection (3) of section 69, for “subsection (4)” substitute “subsections (3A) and (4).  
(2B) After subsection (3) of section 69, insert—  
“(3A) In relation to a failure to comply with any regulatory requirement under section 77E (display of VAT registration numbers on online marketplaces), the prescribed rate shall be determined by reference to the



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

number of occasions in the period of 2 years preceding the beginning of the failure in question on which the person concerned has previously failed to comply with that requirement and, subject to the following provisions of this section, the prescribed rate shall be—

- (a) if there has been no such previous occasion in that period, £5,000;
- (b) if there has been only one such occasion in that period, £10,000; and
- (c) in any other case, £15,000.””

**Member’s explanatory statement**

*This amendment increases the prescribed rate of a penalty for failure to comply with a regulatory requirement under section 77E of the Value Added Tax Act 1994 (as proposed to be inserted by Clause 38(8)).*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

58

Clause 38, page 27, line 15, at end insert—

“(ba) after subsection (3), insert—

“(3A) The period specified in a notice in accordance with subsection (3)(a) may not be longer than 10 days.

(3B) It shall be the duty of the Commissioners to give notice under subsection (2) in any case where they are satisfied that to do so would protect or enhance VAT revenue.””

**Member’s explanatory statement**

*This amendment specifies the period for compliance with a notice under section 77B as no more than 10 days and requires HMRC to issue a notice in any case where VAT revenue would be protected or enhanced by doing so.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

59

Clause 38, page 27, line 32, leave out “60” and insert “10”

**Member’s explanatory statement**

*This amendment reduces the period at the end of which a person must cease to offer goods in breach of the registration requirement from 60 days to 10 days.*

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*

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

*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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Peter Dowd  
Anneliese Dodds  
Jeff Smith

60

Clause 46, page 40, line 18, at end insert—

“(9A) The powers under subsections (1) to (6) of this section are not available in any case where—

- (a) information has been provided on oath by an officer in accordance with section 161A(1) of the Customs and Excise Management Act 1979 (power to enter premises: search warrant) and a justice of the peace has not issued a warrant in consequence, or
- (b) an officer could reasonably have been expected to seek a warrant in accordance with the provisions of that section of that Act.”

***Member’s explanatory statement***

*This amendment provides that the powers to enter premises and search goods may not be exercised in cases where a warrant to search premises in relation to goods subject to forfeiture has been sought and refused or where such a warrant could reasonably be sought.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

61

Clause 48, page 42, line 15, leave out from “effect” to end of line 16 and insert “from the date on which the Chancellor of the Exchequer lays before the House of Commons a report of the review carried out under subsection (13).

- (13) A review under this subsection shall consider the appropriateness of the use of the New European Driving Cycle methodology for calculating carbon dioxide emissions for the purposes of the provisions amended by this section.
- (14) A review under subsection (13) shall also consider the effects if carbon dioxide emissions were to be calculated for the purposes of the provisions amended by this section using the Worldwide harmonized Light-duty vehicles Test Procedure including
  - (a) the effects on the operation of those provisions,
  - (b) the revenue effects, and
  - (c) the effects on progress towards the Government’s targets for reducing carbon dioxide emissions.”

***Member’s explanatory statement***

*This amendment requires a pre-commencement review of the appropriateness of the current regime for calculating carbon dioxide emissions and the effects of a change to the WLTP procedure.*

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

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

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

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

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.
- (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

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

- (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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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.



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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 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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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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Peter Dowd  
Anneliese Dodds  
Jeff Smith

NC14

To move the following Clause—

**“Fixed rate deduction for expenditure on vehicles: review of change to eligibility**

- (1) Within twelve months after the passing of this Act, the Chancellor of the Exchequer must review the effects of the amendments made by section 36 allowing unincorporated property businesses to use flat rates for mileage when calculating allowable deductions for vehicle expenditure for income tax.
- (2) The review under this section must consider—
- (a) the revenue effects of the change made, and
  - (b) the effect of the change on rates of car usage in unincorporated property businesses.
- (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 into the effects on revenue and on car use of allowing*

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

*unincorporated property businesses to use flat rates, commonly referred to as mileage rates, when calculating allowed deductions for income tax.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

**NC15**

To move the following Clause—

**“Landfill Tax disposals: review of changes to disposals within charge**

- (1) The Chancellor of the Exchequer must commission a review of the changes to disposals for which Landfill Tax is chargeable within three months of the passing of this Act.
- (2) The review under this section must consider—
  - (a) the effect on revenue of the changes,
  - (b) the impact on the volume of disposals at—
    - (i) sites with an environmental disposal permit, and
    - (ii) sites without an environmental disposal permit, and
  - (c) the impact of the changes on the prevalence of illegal disposal sites.
- (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 effects of the changes to disposals for which Landfill Tax is chargeable on tax revenue and on the volume of disposals and the prevalence of illegal landfill sites.*

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Peter Dowd  
Anneliese Dodds  
Jeff Smith

**NC16**

To move the following Clause—

**“Review of changes to rates of air passenger duty**

- (1) No later than 31 March 2019, the Chancellor of the Exchequer must review the effects of the changes made by section 43 to rates of air passenger duty set out in Chapter 4 of Part 1 of FA 1994.
- (2) The review under this section must consider—
  - (a) the effect on airplane usage as a result of the changes to air passenger duty rates, and
  - (b) the effectiveness of the changes to air passenger duty on reducing carbon emissions and meeting carbon emissions targets.

**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 effects of the changes to air passenger duty rates on airplane usage and carbon emissions.*

Peter Dowd  
Anneliese Dodds  
Jeff Smith

NC17

To move the following Clause—

**“Review of changes to rates of duty on tobacco products**

- (1) Within twelve months of the passing of this Act, the Chancellor of the Exchequer must review the effects of the changes made by section 45 to rates of excise duty on tobacco products and the Minimum Excise Tax on cigarettes.
- (2) The review under this section must consider—
- (a) the effect of the changes on smoking cessation, and
  - (b) the effect on revenue of the changes in each financial year until 2027-28.
- (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 effect of changes to duty on tobacco products on smoking cessation and on revenue for each financial year until 2027-28.*

## 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

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

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

ORDER OF THE COMMITTEE [9 JANUARY 2018]

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

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**NOTICES WITHDRAWN**

*The following Notices were withdrawn on 12 January 2018:*

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