



House of Commons

Tuesday 9 January 2018

PUBLIC BILL COMMITTEE PROCEEDINGS

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)

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Withdrawn after debate: moved and debated but then withdrawn, so not put to a decision.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

Mel Stride

Agreed to

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;

Finance (No. 2) Bill, *continued*

- 10 (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;
- 15 (3) the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 18 January.

As Amendments to Mel Stride's proposed Motion—

Kirsty Blackman
Alison Thewliss

Negated on division (a)

Leave out line 4

Kirsty Blackman
Alison Thewliss

Not called (b)

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

Not called (c)

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”.”

Finance (No. 2) Bill, *continued*

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.

Agreed to

Clauses 1 to 7 agreed to.

Clauses 9 to 11 agreed to.

Peter Dowd
Anneliese Dodds
Jeff Smith*Negated on division 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.”

Peter Dowd
Anneliese Dodds
Jeff Smith*Not called 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)”.

Peter Dowd
Anneliese Dodds
Jeff Smith*Not called 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.”

Peter Dowd
Anneliese Dodds
Jeff Smith*Not called 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.”

Finance (No. 2) Bill, *continued*

Peter Dowd
Anneliese Dodds
Jeff Smith

Negatived on division 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.”

Schedule agreed to.

Clause 12 agreed to.

Schedule 2 agreed to.

Clause 13 agreed to.

Peter Dowd
Anneliese Dodds
Jeff Smith

Negatived on division 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).”

Peter Dowd
Anneliese Dodds
Jeff Smith

Not called 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).”

Peter Dowd
Anneliese Dodds
Jeff Smith

Not called 41

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

Finance (No. 2) Bill, continued

“(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.”

Peter Dowd
Anneliese Dodds
Jeff Smith

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

Not called 42

Peter Dowd
Anneliese Dodds
Jeff Smith

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

Not called 43

Peter Dowd
Anneliese Dodds
Jeff Smith

Schedule 3, page 67, line 17, at end insert—
“(ba) sub-paragraph (4A);”

Not called 44

Schedule agreed to.

Clauses 14 to 16 agreed to.

Schedule 4 agreed to.

Clause 17 agreed to.

Finance (No. 2) Bill, *continued*

Mel Stride

Agreed to 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).””

Schedule, as amended, agreed to.

[Adjourned until Thursday at 11.30am