



House of Commons  
**NOTICES OF AMENDMENTS**  
 given up to and including  
**Thursday 21 December 2017**

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*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: 33, NC1 to NC4 and Amendments (a) to (c) to the*  
*Resolution of the Programming Sub-Committee*

**PUBLIC BILL COMMITTEE**

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**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)**

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**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**This document includes all amendments tabled to date and includes any withdrawn amendments at the end.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.**

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**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;

**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.

*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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**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.

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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.

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

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

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

Mel Stride

- ☆ Schedule 10, page 146, line 9, at end insert “, and” 3  
 (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

- ☆ 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” 4

Mel Stride

- ☆ Schedule 10, page 147, line 4, at end insert— 5  
 “(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

- ☆ Schedule 10, page 148, line 4, at end insert— 6  
 “(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

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

- (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—
  - (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).”

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

- Mel Stride **8**
- ☆ Schedule 10, page 148, line 25, leave out “all amounts which” and insert “so much of PFSI as is”
- Mel Stride **9**
- ☆ Schedule 10, page 148, line 26, leave out “are”
- Mel Stride **10**
- ☆ Schedule 10, page 148, line 29, leave out “all amounts which” and insert “so much of PFSI as is”
- Mel Stride **11**
- ☆ Schedule 10, page 148, line 30, leave out “are”
- Mel Stride **12**
- ☆ Schedule 10, page 149, line 33, leave out “available”
- Mel Stride **13**
- ☆ Schedule 10, page 149, leave out lines 37 to 40
- Mel Stride **14**
- ☆ 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”—
- (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

Finance (No. 2) Bill, *continued*

- (c) “the settlement” and “the year” mean, respectively, the settlement and tax year mentioned in section 643F.”

Mel Stride		<b>17</b>
☆ Schedule 10,	page 150, line 10, after first “the” insert “relevant”	
Mel Stride		<b>18</b>
☆ Schedule 10,	page 150, line 16, leave out “available”	
Mel Stride		<b>19</b>
☆ 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		<b>20</b>
☆ 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		<b>21</b>
☆ Schedule 10,	page 150, line 19, after “benefits” insert “referred to in paragraph (a)”	
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”	

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

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

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 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.”



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

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

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

- (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.*

## 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.

**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

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

<i>Proceedings</i>	<i>Time for conclusion of proceedings</i>
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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