

## Amendment 3 to Clause 17: Relief from interest on tax payable by a person subject to the loan charge.

### Summary

1. This amendment is to Clause 17 of Finance Bill 2020: relief from interest on tax payable by a person subject to the Loan Charge. It provides a power so that HM Revenue & Customs may extend the period within which a specified class of persons subject to the Loan Charge, may discharge their liability to income tax and capital gains tax for the tax year 2018-19 without incurring interest on those liabilities.

### Details of the amendment

2. Amendment 3 inserts two additional subsections: (5) and (6) into clause 17
3. Subsection (5) allows HM Revenue & Customs, by regulations, to extend references to the period within which relevant persons may discharge their liability to income tax for the tax year 2018-19 without incurring interest on those liabilities.
4. Subsection (5)(a) provides that the regulations can amend the references to the end of September 2020 to a later date as specified.
5. Subsection (5)(b) provides that the regulations can amend the references of 1 October 2020 in subsection (3)(b) to a later date as specified.
6. Subsection (6) provides that “specified” in subsection (5) means specified in the regulations.

### Background Note

7. Clause 17 is the fourth of seven clauses which implement changes to the Loan Charge following Sir Amyas Morse’s independent review of the policy. In September 2019 the government commissioned Sir Amyas Morse to lead an independent review into the design and implementation of the Loan Charge.
8. The Review was published on 20 December 2019 alongside the government’s response which accepted all but one of the recommendations.
9. In recognition of the fact that those affected by the Loan Charge would have insufficient time to fully consider proposed changes to the Loan Charge and submit a full and accurate 2018/19 Self-Assessment tax return by the statutory date of 31

January 2020, HM Revenue & Customs announced that affected individuals would be able to file their 2018/19 Self-Assessment tax return by 30 September 2020 and settle their 2018/19 liabilities by that date without incurring penalties or interest.

10. Clause 17 enables HMRC to disapply interest in respect of 2018/19 (and 2019/20 payments on account) provided that a full and accurate 2018/19 Self-Assessment tax return has been filed, and the 2018/19 liabilities settled, by the end of September 2020. It also provides that where a person enters into an agreement before the end of September 2020 to pay over a longer period their 2018/19 liabilities, interest only accrues from 1 October 2020.
11. HMRC recognises the potential impact of COVID -19 on some Loan Charge taxpayers. Due to the uncertainties resulting from the COVID-19 pandemic, there may be instances where some Loan Charge taxpayers will be unable to meet the end of September filing and payment deadlines. This amendment is required to enable interest disapplication to reflect any amended filing and payment concessions, should the government decide it is necessary to amend the filing and payment concessions.