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Public Bill Committee: Friday 31 December 2021

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## Finance (No. 2) Bill (Amendment Paper)

Except the clauses to be considered in Committee of the whole House which are: Clause 4 (increase in rates of tax on dividend income); Clause 6 (rate of banking surcharge and surcharge allowance); Clauses 7 and 8 and Schedule 1 (attribution of trade and property business profits etc for a tax year); Clause 12 (capital allowances: extension of temporary increase in annual investment allowance); Clauses 27 and 28 (diverted profits tax: mutual agreement procedure and closure notices etc); Clauses 53 to 66 (economic crime (anti-money laundering) levy); Clauses 68 to 71 (value added tax); Clauses 84 to 92 and Schedules 12 and 13 (avoidance); Clause 93 and Schedule 14 (free zones); and any new Clauses or new Schedules relating to the subject matter of the Clauses and Schedules mentioned in paragraphs (a) to (i).

This document lists all amendments tabled to the Finance (No. 2) Bill. Any withdrawn amendments are listed at the end of the document. The amendments are arranged in the order in which it is expected they will be decided.

★ New Amendments.

New Amendments: NC15 to NC19

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Lucy Frazer

7

Schedule 15, page 173, line 12, leave out "any relevant" and insert "a company tax return or partnership"

**Member's explanatory statement**

See the explanatory statement for Amendment 9.

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Lucy Frazer

8

Schedule 15, page 173, line 19, leave out "a member of the"

**Member's explanatory statement**

See the explanatory statement for Amendment 10.

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Lucy Frazer

9

Schedule 15, page 173, line 20, at end insert—

“Notification under paragraph 8(2)(b) of an amount included in a PAYE return or VAT return delivered to HMRC for a financial year

On or before the date (determined in accordance with this table) by which the notification would be required if—  
 (a) the notification were required by paragraph 8(2)(a), and  
 (b) the return were delivered to HMRC for the financial year following the financial year in which the accounting provision is recognised in the accounts of the company or partnership.”

**Member’s explanatory statement**

This amendment and Amendment 7 ensure that, where provision for uncertain PAYE or VAT liabilities is recognised in the accounts of a company or partnership, the accounts may be finalised before HMRC is required to be notified of the uncertainty under Schedule 15.

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Lucy Frazer

10

Schedule 15, page 173, line 33, leave out “, or a member of the partnership,” and insert “or partnership”

**Member’s explanatory statement**

This amendment and Amendment 8 ensure that Schedule 15 operates as intended where provision for uncertain liabilities is recognised in the accounts of a partnership.

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Alison Thewliss

NC1

To move the following Clause—

**“Review of reliefs on investments**

The Government must publish within 12 months of this Act coming into force an assessment of the impact on the tax gap of the reliefs on investments contained in this Act, and of whether those reliefs have increased opportunities for tax evasion and avoidance.”

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Alison Thewliss

NC2

To move the following Clause—

**“Effect on GDP of international matters in Act, and of whole Act**

(1) The Government must publish an assessment of the impact on GDP of—

- (a) the provisions in sections 24 to 28 of this Act, and
  - (b) this Act as a whole.
- (2) The assessment must also compare these impacts to the impacts had the UK—
- (a) remained in the European Union, and
  - (b) left the European Union without a Future Trade and Investment Partnership.”

**Member’s explanatory statement**

This new clause would require a Government assessment of the effect on GDP of the international provisions of the Act, and of the Act as a whole, in different scenarios.

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Alison Thewliss

NC3

To move the following Clause—

**“Review of impact of Residential property developer tax on the tax gap**

The Government must publish within 12 months of this Act coming into effect an assessment of the impact of Part 2 of this Act (Residential property developer tax) on the tax gap, and of whether it has increased opportunities for tax evasion and avoidance.”

**Member’s explanatory statement**

This new clause would require a Government assessment of the impact of the Residential Property Developer Tax introduced in this Bill, and of its effect on opportunities for tax evasion and avoidance.

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Alison Thewliss

NC4

To move the following Clause—

**“Impact of Act on tackling climate change**

The Government must publish within 12 months of this Act coming into effect an impact assessment of the changes in the Act as a whole on the goal of tackling climate change and the UK’s plans to reach net zero by 2050.”

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Alison Thewliss

NC5

To move the following Clause—

**“Vehicle taxes: effect on climate change goals**

The Government must publish within 12 months of this Act coming into effect an assessment of the impact of sections 77 to 79 on the goal of tackling climate change and on the UK’s plans to reach net zero by 2050.”

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Alison Thewliss

NC6

To move the following Clause—

**“Review of impact of reliefs in Act on the tax gap**

The Government must publish within 12 months of the Act coming into effect an assessment of the impact of the tax reliefs in this Act on the tax gap, and of whether they have increased opportunities for tax evasion and avoidance.”

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Alison Thewliss

NC7

To move the following Clause—

**“Uncertain tax treatment**

The Government must publish within 12 months of this Act coming into effect an assessment comparing the rates of uncertain tax in the UK to those of all other OECD countries.”

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Alison Thewliss

NC8

To move the following Clause—

**“Emissions certificates**

The Government must publish within 12 months of this Act coming into effect an assessment of the impact of sections 99 and Schedule 16 of this Act on the goal of tackling climate change and the UK’s plans to reach net zero by 2050.”

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Alison Thewliss

NC9

To move the following Clause—

**“Composition of the Office of Tax Simplification**

The Government must publish within 12 months of this Act coming into effect an assessment of the composition of the Office of Tax Simplification membership with a view to ensuring it is diverse and representative.”

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Alison Thewliss

NC10

To move the following Clause—

**“Capacity of the OTS**

The Government must publish within 12 months of this Act coming into effect a review of the membership and capacity of the OTS, including

consideration of the capacity the membership would have to deal with an expansion of its remit to include fairness in the tax system.”

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Alison Thewliss

NC11

To move the following Clause—

**“Gambling**

The Government must publish within 12 months of this Act coming into effect an assessment of the provisions of clause 80 on—

- (a) the volume of gambling, and
- (b) public health.”

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Alison Thewliss

NC12

To move the following Clause—

**“Impact of Act on tax burden of hospitality sector**

The Government must publish within 12 months of this Act coming into effect an assessment of the impact of the Act as a whole on the tax burden on the hospitality sector.”

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Debbie Abrahams

NC13

To move the following Clause—

**“Review of public health, inequality and poverty effects of Act**

- (1) The Chancellor of the Exchequer must review the public health, inequality and poverty effects of the provisions of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act.
- (2) The review must consider—
  - (a) the effects of the provisions of this Act on the levels of relative and absolute poverty across the UK including devolved nations and regions,
  - (b) the effects of the provisions of this Act on socioeconomic inequalities, and on population groups with protected characteristics as defined by the 2010 Equality Act, across the UK including devolved nations and regions,
  - (c) the effects of the provisions of this Act on life expectancy and healthy life expectancy across the UK including devolved nations and regions, and
  - (d) the implications for the public finances of the public health effects of the provisions of this Act.”

**Member's explanatory statement**

This new clause would require the Government to report on the public health, inequality and poverty effects of the provisions of the Act.

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James Murray  
Abena Oppong-Asare  
Liz Twist

NC14

To move the following Clause—

**“Review of effectiveness of film tax relief provisions of Act and of potential for misuse**

- (1) The Government must publish, within six months of this Act coming into force, a report on the effectiveness of the provisions of section 16 of this Act.
- (2) This review must include an assessment of the extent of, and potential for, misuse of the relief provided in section 16.
- (3) The assessment under subsection (2) must include an evaluation of the relevance of the experience of misuse of existing film tax relief.
- (4) The evaluation provided for in subsection (3) must include—
  - (a) the—
    - (i) total number of enforcement actions, and
    - (ii) number of successful enforcement actions taken against companies suspected of misusing film tax relief,
  - (b) the actions taken against the promoters of schemes designed to enable misuse of film tax relief, and
  - (c) a statement as to the plans the Government has for further action against misuse of film tax relief.”

**Member's explanatory statement**

This new clause would require a review of the effectiveness of the provisions in section 16. This review would include assessing actual and potential misuse of the relief, drawing on experience of the present film tax relief regime.

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James Murray  
Abena Oppong-Asare  
Liz Twist

NC15

★ To move the following Clause—

**“Review of VED revenue from light passenger or light goods vehicles, motorcycles etc in context of future demand for electric vehicles**

- (1) The Government must publish within twelve months of this Act coming into effect an assessment of the expected level of revenues of Vehicle Excise Duty from light passenger or light goods vehicles, motorcycles etc in future years in the context of the expected uptake of electric vehicles.
- (2) The Review must also consider possible alternatives to Vehicle Excise Duty on these vehicles.”

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James Murray  
Abena Oppong-Asare  
Liz Twist

NC16

★ To move the following Clause—

**“Assessment of effect of sections 78 and 79 on supply chain**

The Government must publish within three months of this Act coming into effect an assessment of the impact of the provisions of sections 78 and 79 on—

- (a) supply chain disruptions,
- (b) numbers of HGV drivers working in the UK, and
- (c) shortages of products in UK shops.”

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James Murray  
Abena Oppong-Asare  
Liz Twist

NC17

★ To move the following Clause—

**“Annual review (plastic packaging tax)**

- (1) The Chancellor of the Exchequer must review the impact of section 83 and Schedule 11 of this Act and lay a report of that review before the House of Commons within six months of the passing of this Act and once a year thereafter.
- (2) A review under this section must estimate the expected impact of section 83 and Schedule 11 on—
  - (a) levels of recycled material (plastic and non-plastic) in packaging,
  - (b) levels of reusability and recyclability of packaging material (plastic and non-plastic),
  - (c) the waste hierarchy,
  - (d) levels of carbon emissions, and
  - (e) progress towards a circular economy.”

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James Murray  
Abena Oppong-Asare  
Liz Twist

NC18

★ To move the following Clause—

**“Review of the residential property developer tax**

- (1) The Government must publish a review of the residential property developer tax within three months of the end of the first year of it applying.
- (2) The review under subsection (1) must be updated annually, within three months of the end of each subsequent year that the residential property developer tax applies.

- (3) The review under subsection (1), updated as set out in subsection (2), must assess—
- (a) how much the RPDT has raised in each year of its operation so far;
  - (b) how much it is estimated that RPDT would have raised at a level of—
    - (i) 6%,
    - (ii) 8%, and
    - (iii) 10%; and
  - (c) any wider effects of setting the RPDT at the levels set out in subsection (3)(b)."

**Member's explanatory statement**

This new clause would require the Government to review the RPDT each year in order to assess the revenue it has raised and also what revenue it would raise, and the other wider effects it would have, at certain higher levels.

James Murray  
Abena Oppong-Asare  
Liz Twist

NC19

★ To move the following Clause—

**"Review of impact of increasing the residential property developer tax to discourage certain charges on holders of long leases**

- (1) The Government must publish a review, within three months of this Act gaining Royal Assent, that assesses what the impact would be of increasing the residential property developer tax on landlords who meet the conditions set out in subsection (2) of this section.
- (2) Landlords are included in the scope of the review under subsection (1) if they meet the conditions in (a) and (b) below—
  - (a) they have carried out any fire safety adaptation works to a building in consequence of any provision, duty or guidance arising from—
    - (i) the Housing Act 2004,
    - (ii) the Regulatory Reform (Fire Safety Order) 2005,
    - (iii) the Building Safety Act,
    - (iv) any direction, recommendation or suggestion of any public authority or regulatory body, or
    - (v) such other circumstances or enactment as the Secretary of State may prescribe by regulations; and
  - (b) they have, on at least one occasion, made the costs they have incurred in connection with the matters listed in (a) the subject of a demand for payment of service charges, administration charges or any other charge permitted or authorised by any provision of any long lease.
- (3) The review under subsection (1) must consider what level of increase in the rate of the residential property developer tax described in subsection



(1) would be expected to provide an adequate disincentive for landlords to behave in such a way that they fall within the scope of subsection (2).”

**Member’s explanatory statement**

This new clause would require the Government to review the impact of increasing the RPDT on landlords who carry out certain fire safety adaptation work and pass the cost on to holders of long leases, and as part of that review to consider what increase in RPDT on such works would provide an effective disincentive to landlords to act in that way.

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## Order of the House

**[16 November 2021]**

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 4 (increase in rates of tax on dividend income);
  - (b) Clause 6 (rate of banking surcharge and surcharge allowance);
  - (c) Clauses 7 and 8 and Schedule 1 (attribution of trade and property business profits etc for a tax year);
  - (d) Clause 12 (capital allowances: extension of temporary increase in annual investment allowance);
  - (e) Clauses 27 and 28 (diverted profits tax: mutual agreement procedure and closure notices etc);
  - (f) Clauses 53 to 66 (economic crime (anti-money laundering) levy);
  - (g) Clauses 68 to 71 (value added tax);
  - (h) Clauses 84 to 92 and Schedules 12 and 13 (avoidance);
  - (i) Clause 93 and Schedule 14 (free zones); and
  - (j) any new Clauses or new Schedules relating to the subject matter of the Clauses and Schedules mentioned in paragraphs (a) to (i).
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 one day.
4. The proceedings—
  - (a) shall be taken on that day in the order shown in the first column of the following Table, and
  - (b) shall (so far as not previously concluded) be brought to a conclusion at the times specified in the second column of the Table.

**Proceedings**

Clause 4; Clause 6; Clauses 7 and 8 and Schedule 1; Clause 12; any new Clauses or new Schedules relating to the subject matter of those Clauses and that Schedule

Clauses 27 and 28; Clauses 53 to 66; Clauses 84 to 89; Clause 90 and Schedule 12; Clause 91 and Schedule 13; Clause 92; any new Clauses or new Schedules relating to the subject matter of those Clauses and those Schedules

Clauses 68 to 71 (value added tax); Clause 93 and Schedule 14 (free zones); any new Clauses or new Schedules relating to the subject matter of those Clauses and that Schedule

**Time for conclusion of proceedings**

2 hours from commencement of proceedings on the Bill

4 hours from commencement of proceedings on the Bill

6 hours from commencement of proceedings on the Bill

**Proceedings in Public Bill Committee etc**

5. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 13 January 2022.
6. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.
7. 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.

**Consideration and Third Reading**

8. Proceedings on Consideration 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.
9. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.

**Programming committee**

10. Standing Order No. 83B (Programming committees) shall not apply to proceedings in Committee of the whole House or to proceedings on Consideration and Third Reading.

**Order of the Committee**

**[14 December 2021]**

That—

1. the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 14 December 2021) meet—

- (a) at 2.00 pm on Tuesday 14 December 2021;
  - (b) at 3.30 pm and 6.00 pm on Wednesday 5 January 2022;
  - (c) at 9.25 am and 2.00 pm on Tuesday 11 January 2022;
  - (d) at 11.30 am and 2.00 pm on Thursday 13 January 2022;
2. the proceedings shall be taken in the following order: Clauses 1 to 3; Clause 5; Clauses 9 to 11; Clauses 13 and 14; Schedule 2; Clause 15; Schedule 3; Clauses 16 to 24; Schedule 4; Clauses 25 and 26; Clause 29; Schedule 5; Clauses 30 and 31; Schedule 6; Clauses 32 to 41; Schedule 7; Clauses 42 to 45; Schedule 8; Clauses 46 to 49; Schedule 9; Clauses 50 to 52; Clause 67; Clauses 72 to 75; Schedule 10; Clauses 76 to 83; Schedule 11; Clause 94; Schedule 15; Clauses 95 to 99; Schedule 16; Clauses 100 to 102; 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 13 January 2022.
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