
Public Bill Committee: Tuesday 11 January 2022

Finance (No. 2) Bill (Committee Stage Decisions)

This document sets out the fate of each clause, schedule, amendment and new clause considered at committee stage. A glossary with key terms can be found at the end of this document.

First to Fifth Sittings.

FIRST AND SECOND SITTINGS

Lucy Frazer

Agreed to

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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Lucy Frazer

Agreed to

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.

Clauses 1 to 3 agreed to.

Clause 5 agreed to.

James Murray
Abena Oppong-Asare
Liz Twist

Withdrawn after debate 11

Clause 9, page 5, line 20, leave out "6 years" and insert "5 years and 9 months"

Clause agreed to.

Clauses 10 and 11 agreed to.

Clauses 13 and 14 agreed to.

Lucy Frazer

Agreed to 1

Schedule 2, page 97, line 24, leave out "performing investment management services"

Lucy Frazer

Agreed to 2

Schedule 2, page 97, line 25, leave out from "profits of" to end of line 26 and insert "investments in connection with the provision of investment management services in relation to those investments."

Lucy Frazer

Agreed to 3

Schedule 2, page 99, line 36, leave out paragraph (c) and insert—
"(c) the fund is 70% controlled by category A investors."

Lucy Frazer

Agreed to 4

Schedule 2, page 99, line 42, leave out "6 April 2020" and insert "1 April 2022"

Lucy Frazer

Agreed to**5**

Schedule 2, page 100, line 19, at end insert “—

- (i) as if in subsection (4) of section 450 of that Act, the reference to a loan creditor were to a creditor of the fund in respect of a normal commercial loan (within the meaning it has in paragraph 3),
- (ii) as if in that subsection, at the end there were inserted “and for the purposes of subsection (3)(d)”, and
- (iii) “

Lucy Frazer

Agreed to**6**

Schedule 2, page 100, line 30, leave out sub-paragraph (6) and insert—

- “(6) A fund is 70% controlled by category A investors if a category A investor, or more than one category A investor between them, directly or indirectly possesses—
- (a) 70% or more of the voting power in the fund or, in the case of a fund that is not a body corporate, an equivalent ability to control the fund,
 - (b) so much of the fund as would, on the assumption that the whole of the income of the fund were distributed among persons with interests in the fund, entitle that investor or those investors to receive 70% or more of the amount so distributed, and
 - (c) such rights as would entitle that investor or those investors, in the event of the winding up of the fund or in any other circumstances, to receive 70% or more of the assets of the fund which would then be available for distribution among persons with interests in it.
- (6A) For the purposes of sub-paragraph (6)—
- (a) a category A investor indirectly possesses something if the investor possesses it through a body corporate or a series of bodies corporate;
 - (b) the interests of the participants in a category A investor that is a collective investment scheme that is transparent (within the meaning given by paragraph 6(7)) are to be treated as interests of the investor (instead of its participants) if that investor meets the diversity of ownership condition as a result of sub-paragraph (2)(a);
 - (c) in determining, for the purposes of sub-paragraph (6)(b) or (c), proportions of income or assets persons with an interest in the fund would be entitled to, ignore any interest any person has as a creditor of the fund in respect of a normal commercial loan (within the meaning it has in paragraph 3);
 - (d) paragraphs 5(5) and 6(5) and (6) apply for the purposes of determining the interests of persons in a fund as they apply for the purposes of determining relevant interests in a QAH.
- (6B) For the purposes of sub-paragraphs (5)(a)(i) and (6A)(c), references to a creditor of a fund are to be treated, in the case of a fund that is a

partnership, as not including any creditor who is a partner of that fund.”

Schedule, as amended, agreed to.

Clause 15 agreed to.

Schedule 3 agreed to.

Clauses 16 to 24 agreed to.

Schedule 4 agreed to.

Clauses 25 and 26 agreed to.

Clause 29 agreed to.

Schedule 5 agreed to.

Clauses 30 and 31 agreed to.

Schedule 6 agreed to.

THIRD AND FOURTH SITTINGS

Clauses 32 to 41 agreed to.

Schedule 7 agreed to.

Clauses 42 to 45 agreed to.

Schedule 8 agreed to.

Clauses 46 to 49 agreed to.

Schedule 9 agreed to.

Clauses 50 to 52 agreed to.

Clause 67 agreed to.

Clauses 72 to 75 agreed to.

Schedule 10 agreed to.

Clauses 76 to 83 agreed to.

Schedule 11 agreed to.

FIFTH SITTING

Clause 94 agreed to.

Lucy Frazer	Agreed to	7
Schedule 15, page 173, line 12, leave out “any relevant” and insert “a company tax return or partnership”		

Lucy Frazer	Agreed to	8
Schedule 15, page 173, line 19, leave out “a member of the”		

Lucy Frazer	Agreed to	9
Schedule 15, page 173, line 20, at end insert—		

<p>“Notification under paragraph 8(2)(b) of an amount included in a PAYE return or VAT return delivered to HMRC for a financial year</p>	<p>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.”</p>
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Lucy Frazer	Agreed to	10
Schedule 15, page 173, line 33, leave out “, or a member of the partnership,” and insert “or partnership”		

Schedule, as amended, agreed to.

Clauses 95 to 99 agreed to.

Schedule 16 agreed to.

Clauses 100 to 102 agreed to.

Alison Thewliss

Withdrawn after debate 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.”

Alison Thewliss

Withdrawn after debate 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.”

Alison Thewliss

Not called 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.”

Alison Thewliss

Withdrawn after debate 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.”

Alison Thewliss

Not called 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.”

Alison Thewliss

Not called 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.”

Alison Thewliss

Not called 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.”

Alison Thewliss

Not called 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.”

Alison Thewliss

Not called 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.”

Alison Thewliss

Not called 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.”

Alison Thewliss

Not called 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.”

Alison Thewliss

Withdrawn after debate 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.”

Debbie Abrahams

Not moved 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."

James Murray
Abena Oppong-Asare
Liz Twist

Not called 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."

James Murray
Abena Oppong-Asare
Liz Twist

Not called 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."

James Murray
Abena Oppong-Asare
Liz Twist

Not called 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.”

James Murray
Abena Oppong-Asare
Liz Twist

Not called 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.”

James Murray
Abena Oppong-Asare
Liz Twist

Not called 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)."

James Murray
Abena Oppong-Asare
Liz Twist

Not selected 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)."

Bill (except (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 any new Clauses or new Schedules relating to the subject matter of the Clauses and Schedules mentioned in paragraphs (a) to (i)), as amended, to be reported.

Glossary

Added: New Clause agreed without a vote and added to the Bill.

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.
