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Report Stage: Monday 5 February 2024

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## Finance Bill (Amendment Paper)

This document lists all amendments tabled to the Finance 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 Any withdrawn amendments are listed at the end of the document.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.

This document should be read alongside the Speaker's provisional selection and grouping, which sets out the order in which the amendments will be debated

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The Chancellor of the Exchequer

Gov NC5

To move the following Clause—

**“New investment exemption**

- (1) Part 5 of F(No.2)A 2023 (electricity generator levy) is amended as follows.
- (2) In section 280 (key concepts), in subsection (1), in the definition of “relevant” (as in relevant generating station)—
  - (a) omit the “and” after paragraph (a), and
  - (b) after paragraph (b) insert “, and
  - (c) to the extent it is not comprised of qualifying new generating plant (see section 311A);”.
- (3) After section 311 insert—

**“311A Meaning of “qualifying new generating plant”**

- (1) Generating plant is “qualifying new generating plant” if it is new generating plant commissioned as part of a qualifying project that meets the new investment condition.
- (2) The new investment condition is met in relation to a qualifying project if on 21 November 2023 it was reasonable to conclude, having regard to all of the circumstances, that there is a significant likelihood of the project not proceeding.
- (3) The Treasury may by regulations provide for cases in which qualifying projects are to be treated as meeting the new investment condition.

- (4) “Qualifying project” means a project to commission—
- (a) new generating plant for—
    - (i) a new generating station, or
    - (ii) an existing generating station which (as a result of the project) is to be wholly or substantially comprised of new generating plant, or
  - (b) new generating plant that increases the generating capacity of an existing generating station.
- (5) Subsection (6) applies where new generating plant that increases the generating capacity of an existing generating station replaces existing generating plant.
- (6) Only so much of the new generating plant as represents generating capacity in excess of the capacity of the generating plant it replaces is to be regarded as qualifying new generating plant.”
- (4) In section 313 (definitions in this Part), in the table, at the appropriate place insert—

“qualifying new generating plant	section 311A”.
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#### Member's explanatory statement

This new clause introduces an exemption from the Electricity Generator Levy for new generating plant in respect of which no substantive decision to proceed with the project had been made before the day of the Autumn Statement.

James Murray

NC1

Tulip Siddiq

To move the following Clause—

#### **“Review of effectiveness of section 31 measures in preventing fraud involving taxpayers’ money**

- (1) The Chancellor of the Exchequer must, within three months of this Act being passed, conduct a review of the effectiveness of the provisions of section 31 in preventing fraud involving taxpayers’ money.
- (2) The review must evaluate the effectiveness of the provisions of section 31 in preventing fraud involving taxpayers’ money through comparison with the effectiveness of—
  - (a) other measures that seek to prevent fraud involving taxpayers’ money, and
  - (b) the approach taken in other countries.”

**Member's explanatory statement**

This new clause would require the Chancellor to review the effectiveness of measures in this Act to prevent fraud involving taxpayers' money, and to compare them with other measures that seek to prevent fraud involving taxpayers' money and the approach taken in other countries.

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**James Murray**

**NC2**

Tulip Siddiq

To move the following Clause—

**“Review of reliefs for research and development**

- (1) The Chancellor of the Exchequer must, within three months of this Act being passed, publish a review of the implementation costs of the measures in section 2 incurred by—
  - (a) HMRC, and
  - (b) businesses.
- (2) The review under subsection (1) must include details of the implementation costs of all measures related to credit or relief for research and development that have been introduced since December 2019.”

**Member's explanatory statement**

This new clause would require the Chancellor to publish a review setting out the total implementation costs of all changes to research and development reliefs in the current Parliament.

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**James Murray**

**NC3**

Tulip Siddiq

To move the following Clause—

**“Review of measures to tackle evasion and avoidance**

- (1) The Chancellor of the Exchequer must, within three months of this Act being passed, publish a review of the measures in sections 31 to 33 to tackle evasion and avoidance.
- (2) The review under subsection (1) must include details of—
  - (a) the average sentence handed down in each of the last five years for the offences listed in section 31;
  - (b) the range of sentences handed down in each of the last five years for the offences listed in section 31;
  - (c) the number of stop notices issued in each of the last five years to which the measures in section 33 would apply; an
  - (d) the estimated impact on revenue collected in each of the next five financial years resulting from the introduction of the measures in sections 31 to 33.”

**Member's explanatory statement**

This new clause would require the Chancellor to publish details of the sentences given and stop notices issued in each of the last five years to tackle evasion and avoidance, as well as the revenue expected to be generated from the measures to tackle evasion and avoidance in this Act in each of the next five years.

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**Debbie Abrahams**

**NC4**

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 and NHS effects of the provisions of this Act.”

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**James Murray**

**NC6**

Tulip Siddiq

To move the following Clause—

**“Assessment of the impact of permanent full expensing**

- (1) The Chancellor of the Exchequer must, within six months of this Act being passed, publish an assessment of the impact of the measures in clause 1 of this Act on—
  - (a) business investment, and
  - (b) economic growth.
- (2) The review under subsection (1) must—
  - (a) assess the impact of full expensing being made permanent, and
  - (b) consider what other policies would support the effectiveness of the measures in clause 1 of this Act.”

**Member's explanatory statement**

This new clause would require the Chancellor to publish an assessment of the impact on investment and growth of the measures in this Act to make full expensing permanent, and to consider what other policies could support the effectiveness of permanent full expensing.

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James Murray

NC7

Tulip Siddiq

To move the following Clause—

**“Review of multipliers used to calculate higher rates of air passenger duty**

- (1) The Chancellor of the Exchequer must, at the next fiscal event, publish a review of the multipliers used to calculate higher rates of air passenger duty for each destination band.
- (2) This review must propose options for introducing a multiplier to link the higher rate and the reduced rate within the domestic band.
- (3) The Chancellor must, at the next fiscal event, make clear what changes, if any, he will implement as a result of this review.”

**Member's explanatory statement**

This new clause would require the Chancellor to publish a review of the multipliers used to calculate the higher rates of air passenger duty, and to propose options for introducing a multiplier to link the higher rate and the reduced rate within the domestic band.

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The Chancellor of the Exchequer

Gov 1

Schedule 1, page 42, line 12, at end insert—

“(5A) But—

- (a) expenditure of a company is to be ignored for the purposes of subsection (5) if it consists of a payment, or other transfer of value, to another company with which the company is connected, and
- (b) where expenditure forms part of a company's total relevant expenditure by virtue of subsection (5)(c), a deduction brought into account as mentioned in subsection (5)(a) is to be ignored for the purposes of that provision to the extent that a corresponding deduction for corporation tax purposes is prevented by section 1308(5).”

**Member's explanatory statement**

This amendment deals with two cases in which double-counting might otherwise arise in calculating a company's, or an aggregate of connected companies', total expenditure for the purpose of determining whether the R&D intensity threshold is met.

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**The Chancellor of the Exchequer**

**Gov 2**

Schedule 1, page 42, line 16, after “period,” insert “or would do but for subsection (5A)(a),”

**Member's explanatory statement**

This amendment is consequential on Amendment 1.

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**The Chancellor of the Exchequer**

**Gov 3**

Schedule 1, page 63, line 26, at end insert—

*“Avoidance of overlaps and gaps in entitlement during transition*

17A (1) Sub-paragraphs (2) and (3) apply if, but for those sub-paragraphs—

- (a) one company (“company A”) would be entitled to old R&D relief, and
  - (b) another company (“company B”) would be entitled to new R&D relief, in respect of expenditure attributable to the same research and development.
- (2) If company B would have been entitled to old R&D relief in respect of its expenditure had the Part 1 amendments not been made, only company B is entitled to the relief.
- (3) In any other case, only company A is entitled to the relief.
- (4) Sub-paragraph (5) applies if—
- (a) a company incurs pre-commencement expenditure,
  - (b) the company is not entitled to old R&D relief in respect of the expenditure, and
  - (c) had the expenditure been post-commencement expenditure, it would have been—
    - (i) qualifying Chapter 1A expenditure by virtue of section 1042E of CTA 2009 or section 1042F of that Act as it refers to section 1042E, or
    - (ii) qualifying Chapter 2 expenditure by virtue of section 1053 of CTA 2009 (as it has effect after the Part 1 amendments) or section 1053A of that Act as it refers to section 1053.
- (5) The company is to be treated as satisfying sections 1042F(4) and 1053A(4) of CTA 2009 for the purposes of ascertaining the entitlement of another company to new R&D relief in respect of expenditure attributable to the same research and development as the expenditure mentioned in sub-paragraph (4).
- (6) Sub-paragraph (7) applies if—
- (a) in respect of pre-commencement expenditure attributable to research and development, one company (“company C”)—
    - (i) is not entitled to old R&D relief, but
    - (ii) would be so entitled if none of sections 104C(2), 104G(5), 104H(6), 104J(4), 104K(5), 104L(4), 1052(5) and 1053(4) of CTA

- 2009 (as they have effect before the Part 1 amendments) applied, and
- (b) in respect of post-commencement expenditure attributable to the same research and development, another company (“company D”) would, had the expenditure been pre-commencement expenditure, have been entitled to old R&D relief by virtue of section 1053 of CTA 2009 (as it has effect before the Part 1 amendments).
- (7) For the purpose of ascertaining the entitlement of company D to new R&D relief, the research and development is to be treated as contracted out by company D within the meaning of section 1133 of CTA 2009 (as it has effect after the Part 1 amendments).
- (8) In this paragraph—
- “the new R&D provisions” means Part 13 of CTA 2009 as it has effect after the Part 1 amendments;
  - “new R&D relief” means relief under the new R&D provisions;
  - “the old R&D provisions” means Chapter 6A of Part 3 or Part 13 of CTA 2009 as that Chapter or Part has effect before the Part 1 amendments;
  - “old R&D relief” means relief under the old R&D provisions;
  - “the Part 1 amendments” means the amendments made by Part 1 of this Schedule;
  - “post-commencement expenditure” means expenditure incurred in an accounting period beginning on or after the appointed day;
  - “pre-commencement expenditure” means expenditure incurred in an accounting period beginning before the appointed day.”

#### **Member's explanatory statement**

This amendment ensures that one, but only one, company can claim relief in certain transitional situations where more than one company is involved in the same R&D but not both or not all of them have become subject to the changes made by Part 1 of Schedule 1.

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**The Chancellor of the Exchequer**

**Gov 4**

Schedule 6, page 138, leave out lines 15 to 20

#### **Member's explanatory statement**

This amendment and Amendments 5 and 6 allow regulations imposing information requirements for creative sector relief to provide for consequences of non-compliance short of the total invalidity of the claim (for instance, by making a claim invalid only so far as it relates to certain items of expenditure).

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**The Chancellor of the Exchequer**

**Gov 5**

Schedule 6, page 138, line 25, after “which” insert “, and the time by which,”

#### **Member's explanatory statement**

See the explanatory statement for Amendment 4.

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The Chancellor of the Exchequer

Gov 6

Schedule 6, page 138, line 26, at end insert—

“(c) the consequences of failing to provide the information as required (which may include the total or partial invalidity of the claim or a reduction of the claimed relief).”

**Member's explanatory statement**

See the explanatory statement for Amendment 4.

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## Order of the House

[13 December 2023]

That the following provisions shall apply to the Finance Bill:

**Committal**

1. The following shall be committed to a Committee of the whole House—
  - (a) Clause 1 (capital allowances: permanent full expensing etc for expenditure on plant or machinery);
  - (b) Clause 2 and Schedule 1 (new regime for research and development carried out by companies);
  - (c) Clause 21 and Schedule 12 (Pillar Two);
  - (d) Clause 25 (rebate on heavy oil and certain bioblends used for heating);
  - (e) Clause 27 (interpretation of VAT and excise law);
  - (f) Clauses 31 to 34 and Schedule 13 (tax evasion and avoidance);
  - (g) any new Clauses or new Schedules relating to the subject matter of the Clauses and Schedules mentioned in paragraphs (a) to (f).
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	Time for conclusion of proceedings
Clauses 1 and 2 and Schedule 1; any new Clauses or new Schedules relating to the subject matter of those Clauses and that Schedule	2 hours after the commencement of proceedings on the Bill.
Clause 21 and Schedule 12; Clauses 31 and 32 and Schedule 13; Clauses 33 and 34; any new Clauses or new Schedules relating to the subject matter of those Clauses and those Schedules	4 hours after the commencement of proceedings on the Bill.
Clauses 25 and 27; any new Clauses or new Schedules relating to the subject matter of those Clauses	6 hours after the 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 18 January 2024.
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.

#### **Proceedings on 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 those proceedings 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, to proceedings on Consideration or to proceedings on Third Reading.