
Public Bill Committee: Tuesday 28 January 2025

Finance Bill (Amendment Paper)

Except the clauses to be considered in Committee of the whole House: Clauses 7 to 12 and Schedules 1 and 2 (capital gains tax rates and reliefs); Clauses 15 to 18 and Schedule 3 (oil and gas); Clauses 47 to 49 (value added tax on private school fees); Clauses 50 to 53 (stamp duty land tax); and any new Clauses or new Schedules relating to the subject matter of these Clauses and Schedules.

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 Any withdrawn amendments are listed at the end of the document.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 Chair's provisional Selection and Grouping, which sets out the order in which the amendments will be debated.

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 Monday 27 January (Standing Order No. 83C):

That—

1. the Committee shall (in addition to its first meeting at 9.25 am on Tuesday 28 January) meet—
 - (a) at 2.00 pm on Tuesday 28 January;
 - (b) at 11:30 am and 2.00 pm on Thursday 30 January;
 - (c) at 9.25 am and 2.00 pm on Tuesday 4 February;
2. the proceedings shall be taken in the following order: Clauses 1 to 6; Clauses 13 and 14; Clause 19; Schedule 4; Clauses 20 to 25; Schedule 5; Clauses 26 to 31; Schedule 6; Clauses 32 to 35; Schedule 7; Clauses 36 to 38; Schedule 8; Clauses 39 and 40; Schedule 9; Clause 41; Schedule 10; Clause 42; Schedule 11; Clause 43; Schedule 12; Clauses 44 to 46; Schedule 13; Clauses 54 to 86; any new Clauses or new Schedules relating to the subject matter of those Clauses or those 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 Tuesday 4 February.

James Murray 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).

James Murray

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

James Murray

Gov 1

Schedule 4, page 125, line 28, leave out “untaxed amount” and insert “UK proportion”

Member's explanatory statement

This amendment corrects an error in the calculation of multinational top-up tax payable under the UTPR provisions that would have resulted in an excessive liability.

James Murray

Gov 2

Schedule 4, page 125, line 30, leave out “untaxed amount” and insert “UK proportion”

Member's explanatory statement

This amendment corrects an error in the calculation of multinational top-up tax payable under the UTPR provisions that would have resulted in an excessive liability.

James Murray

Gov 3

Schedule 4, page 133, line 20, at end insert—

“Use of substituted values

11A(1) After section 137 insert—

“137A Use of substituted values

- (1) Where any provision of this Part requires the substitution of a value recorded in the underlying profits accounts of a member of a multinational group for an accounting period, the substituted value—
- (a) is to be used for all purposes of this Part instead of the value recorded in the accounts (for example, where the carrying value of an asset has been substituted and the value of that asset is relevant to the member's deferred tax expense, that substituted value is to be used in connection with determining that expense), and

- (b) is to be updated (for example, in making adjustments for depreciation for subsequent accounting periods), in each case, in accordance with the accounting standard used in determining the underlying profits of the member.
- (2) But where the value in question is the value of an asset, no adjustments for impairment are to be made to it.
- (3) Where the impaired value of an asset recorded in the underlying profits accounts for any accounting period is less than the substituted value of the asset for that period, use the value from the underlying profits accounts instead for that period and all subsequent periods (and subsection (2) does not apply in relation to that value)."
- (2) In section 197 (eligible tangible asset amount), in subsection (3)—
- (a) after "means" insert "values", and
- (b) after "parent" insert "(and not values as substituted as a result of any other provision of this Part)"."

Member's explanatory statement

This amendment clarifies how substituted values are to be used when determining profits for the purposes of multinational top-up tax (and domestic top-up tax).

James Murray

Gov 21

Schedule 4, page 135, line 27, leave out "entities"

Member's explanatory statement

This amendment corrects a substitution.

James Murray

Gov 22

Schedule 4, page 145, line 28, leave out from beginning to end of line 28 on page 146 and insert—

"198ZA Eligible payroll costs: flow-through entities

- (1) A member of a multinational group that is a flow-through entity has a flow-through payroll amount for a territory for an accounting period if the member has costs that would be eligible payroll costs if the member were located in that territory and were not a flow-through entity and—
- (a) there is at least one other member of the group—
- (i) that is not a flow-through entity,
- (ii) that is located in that territory, and
- (iii) to whom a proportion of the underlying profits of the flow-through entity for the accounting period are allocated under section 168 (underlying profits of transparent entities) or, where the underlying profits of the entity are

nil or less, would be so allocated if the flow-through entity had underlying profits of 100 euros, or

- (b) the entity—
 - (i) is a flow-through entity to some extent for that period as a result of section 169 (certain non tax resident entities to be treated as flow-through entities),
 - (ii) is not a flow-through entity to some extent for that period, and
 - (iii) was created in that territory.
- (2) Section 196 applies for the purposes of determining a flow-through payroll amount of a flow-through entity for a territory as it applies for the purposes of determining eligible payroll costs but as if—
 - (a) any reference in that section to the territory of the member were to the territory to which the flow-through payroll amount relates, and
 - (b) subsection (7) of that section were omitted.
- (3) Where a member of a multinational group that is a flow-through entity has a flow-through payroll amount for a territory for an accounting period, the eligible payroll costs of each member of the group falling within subsection (1)(a) for that period (which may be nil) are to be increased by the amount given by multiplying the flow-through payroll amount by the relevant proportion in relation to that member for that period.
- (4) The relevant proportion in relation to a member for an accounting period is the proportion of the underlying profits of the flow-through entity for that period—
 - (a) in a case where the flow-through entity has underlying profits that exceed nil for that period, that is allocated to that member under section 168, or
 - (b) in a case where the underlying profits of the flow-through entity for that period are nil or less, that would be allocated to that member if the flow-through entity had underlying profits of 100 euros.
- (5) Where a flow-through entity—
 - (a) is a flow-through entity to some extent for an accounting period as a result of section 169,
 - (b) is not a flow-through entity to some extent for that period, and
 - (c) was created in a territory for which it has a flow-through payroll amount for that period,the eligible payroll costs of that entity for that period (which may be nil) are to be increased by the amount given by multiplying that flow-through payroll amount by the relevant proportion in relation to that entity for that period.
- (6) The relevant proportion in relation to that entity for an accounting period is the proportion of the underlying profits of the entity for that period—

- (a) in a case where the entity has underlying profits that exceed nil for that period, that are not allocated to any other entity under section 168, or
 - (b) in a case where the underlying profits of the entity for that period are nil or less, that would not be allocated to any other entity under that section if the entity had profits of 100 euros.
- (7) For the purposes of applying this section in relation to a multinational group whose ultimate parent is a flow-through entity, the ultimate parent is to be treated as not being a flow-through entity.

198ZB Eligible tangible asset amount: flow-through entities

- (1) A member of a multinational group that is a flow-through entity that is not the ultimate parent has a flow-through tangible asset amount for a territory for an accounting period if the member holds one or more assets in that territory and—
- (a) there is at least one other member of the group—
 - (i) that is not a flow-through entity,
 - (ii) that is located in that territory, and
 - (iii) to whom a proportion of the underlying profits of the flow-through entity for the accounting period are allocated under section 168 (underlying profits of transparent entities) or, where the underlying profits of the entity are nil or less, would be so allocated if the flow-through entity had underlying profits of 100 euros, or
 - (b) the entity—
 - (i) is a flow-through entity to some extent for that period as a result of section 169 (certain non tax resident entities to be treated as flow-through entities),
 - (ii) is not a flow-through entity to some extent for that period, and
 - (iii) was created in that territory.
- (2) Sections 197 and 197A apply for the purposes of determining a flow-through tangible asset amount of a flow-through entity for a territory as they apply for the purposes of determining an eligible tangible asset amount but as if—
- (a) any reference in those sections to the territory of the member were to the territory to which the flow-through tangible asset amount relates, and
 - (b) subsection (10) of section 197 were omitted.
- (3) Where a member of a multinational group that is a flow-through entity has a flow-through tangible asset amount for a territory for an accounting period, the eligible tangible asset amount of each member of the group falling within subsection (1)(a) for that period (which may be nil) is to be increased by the amount given by multiplying the flow-through tangible asset amount by the relevant proportion in relation to that member for that period.

- (4) The relevant proportion in relation to a member for an accounting period is the proportion of the underlying profits of the flow-through entity for that period—
 - (a) in a case where the flow-through entity has underlying profits that exceed nil for that period, that is allocated to that member under section 168, or
 - (b) in a case where the underlying profits of the flow-through entity for that period are nil or less, that would be allocated to that member if the flow-through entity had underlying profits of 100 euros.
- (5) Where a flow-through entity—
 - (a) is a flow-through entity to some extent for an accounting period as a result of section 169,
 - (b) is not a flow-through entity to some extent for that period, and
 - (c) was created in a territory for which it has a flow-through tangible asset amount for that period,the eligible tangible asset amount of that entity for that period (which may be nil) is to be increased by the amount given by multiplying that flow-through tangible asset amount by the relevant proportion in relation to that entity for that period.
- (6) The relevant proportion in relation to that entity for an accounting period is the proportion of the underlying profits of the entity for that period—
 - (a) in a case where the entity has underlying profits that exceed nil for that period, that are not allocated to any other entity under section 168, or
 - (b) in a case where the underlying profits of the entity for that period are nil or less, that would not be allocated to any other entity under that section if the entity had profits of 100 euros.
- (7) For the purposes of applying this section in relation to a multinational group whose ultimate parent is a flow-through entity, the ultimate parent is to be treated as not being a flow-through entity.

198ZC Eligible payroll costs and eligible tangible asset amount: flow-through ultimate parent

- (1) In determining for an accounting period the eligible payroll costs or eligible tangible asset amount of a flow-through entity that is the ultimate parent of a multinational group, the amount given by section 196 or 197 is to be reduced by the section 170 proportion.
- (2) In subsection (1), “the section 170 proportion” means the proportion of the adjusted profits of the flow-through entity for the accounting period that—
 - (a) in a case where subsection (1) of 170 (adjustments for ultimate parent that is a flow-through entity) applies, is excluded under that subsection, or

- (b) in a case where that subsection does not apply as a result of the entity having not made a profit for that period, would be excluded under that subsection if the entity had adjusted profits of 100 euros.
- (3) In subsection (2), "the adjusted profits" means the adjusted profits before the application of section 170."

Member's explanatory statement

This amendment secures that eligible payroll costs and eligible tangible asset amounts are allocated from flow-through entities in a manner that is consistent with the Pillar Two model rules.

James Murray

Gov 23

Schedule 4, page 146, line 28, at end insert—

"32A In section 196 (eligible payroll costs), after subsection (6) insert—

"(7) A member of a multinational group that is a flow-through entity that is a responsible member of the group but which is not the ultimate parent is to be regarded as having nil eligible payroll costs (subject to the application of section 198ZA)."

32B In section 197 (eligible tangible asset amount), after subsection (9) insert—

"(10) A member of a multinational group that is a flow-through entity that is a responsible member of the group but which is not the ultimate parent is to be regarded as having an eligible tangible asset amount of nil (subject to the application of section 198ZB)."

Member's explanatory statement

This amendment is consequential on Amendment 22.

James Murray

Gov 4

Schedule 4, page 146, line 34, at end insert—

"Additional top-up amounts

33A In section 203 (additional top-up amounts where covered taxes less than expected), in subsections (4)(b), (5)(b), (6)(b) and (7)(b), for "reduction by relevant QDT credit" substitute "any reduction".

33B(1) Section 206 (additional top-up amounts where recalculations required) is amended as follows.

(2) In subsection (1)—

(a) in the words before paragraph (a), after "members" insert "(the current members)", and

(b) in paragraph (b), before "members" insert "current".

(3) In subsection (2)—

- (a) in paragraph (a), for “those members would have for a prior period” substitute “the standard members of the group in the territory in a prior period would have for that period”, and
 - (b) in the words after paragraph (b), before “members” insert “current”.
- (4) In subsection (3)—
- (a) in Step 1, for “those members would have had for the prior period” substitute “the standard members of the group in the territory for the prior period would have had for that period”,
 - (b) in Step 3, after “nil” insert “(and if there are no such results, the result of this step is nil)”, and
 - (c) in Step 4—
 - (i) before “members” insert “current””, and
 - (ii) for “Step 2” substitute “Step 3”.
- (5) In subsection (4)—
- (a) for “those members” substitute “the current members”, and
 - (b) for “in accordance with subsections (5) to (8)” substitute “as follows”.
- (6) In subsection (5)—
- (a) in paragraph (a)—
 - (i) for “standard” substitute “current”, and
 - (ii) before “period” insert “current”,
 - (b) in paragraph (b), for “members for the members’ territory” substitute “current members”, and
 - (c) in paragraph (c), for “reduction by relevant QDT credit” substitute “any reduction”.
- (7) In subsection (6)—
- (a) in paragraph (a)—
 - (i) for “standard” substitute “current”, and
 - (ii) before “period” insert “current”,
 - (b) in paragraph (b), for “standard members in the territory” substitute “current members”, and
 - (c) in paragraph (c), for “reduction by relevant QDT credit” substitute “any reduction”.
- (8) In subsection (7)—
- (a) in paragraph (a)—
 - (i) for “standard” substitute “current”,
 - (ii) before “period”, in the first place it occurs, insert “current”, and
 - (iii) for “members for the members’ territory” substitute “the current members”, and
 - (b) in paragraph (b)—
 - (i) for “reduction by relevant QDT credit” substitute “any reduction”, and
 - (ii) for “members for the member’s territory” substitute “current members”.

- (9) In subsection (8)—
- (a) in paragraph (a)—
 - (i) for “standard” substitute “current”, and
 - (ii) for “members for the members’ territory” substitute “the current members”,
 - (b) in paragraph (b)—
 - (i) for “reduction by relevant QDT credit” substitute “any reduction”, and
 - (ii) for “members for the member’s territory” substitute “current members”, and
 - (c) in the words after paragraph (b) for the words from “amount”, in the second place it occurs, to the end substitute “relevant amount.”
- (10) After subsection (8) insert—
- “(9) The relevant amount is the amount given by multiplying—
- (a) the sum of the amounts of qualifying domestic top-up tax accrued by the current members in the current period, by
 - (b) the amount given by dividing—
 - (i) the collective additional amount under this section, by
 - (ii) the sum of that collective additional amount, any collective additional amount under section 203 and the total top-up amount for the current period.””

Member's explanatory statement

This amendment clarifies how to calculate top-up amounts in cases where amounts for a prior period have had to be recalculated.

James Murray

Gov 5

Schedule 4, page 147, line 6, at end insert—

- “(e) in paragraph (f), for “of which the entity is a member” substitute “referred to in paragraph (a).”

Member's explanatory statement

This amendment forms part of a series of amendments designed to make sure that multinational top-up tax, and domestic top-up tax, apply properly in cases involving joint ventures. See also amendments 6, 7, 8, 9, 10 and 11.

James Murray

Gov 6

Schedule 4, page 147, line 12, at end insert—

- “(ia) after “Part”, in the second place it occurs, insert “, this Chapter other than this section and section 226”, and”

Member's explanatory statement

This amendment forms part of a series of amendments designed to make sure that multinational top-up tax, and domestic top-up tax, apply properly in cases involving joint ventures. See also amendments 5, 7, 8, 9, 10 and 11.

James Murray

Gov 7

Schedule 4, page 147, line 33, leave out "where" and insert "if"

Member's explanatory statement

This amendment forms part of a series of amendments designed to make sure that multinational top-up tax, and domestic top-up tax, apply properly in cases involving joint ventures. See also amendments 5, 6, 8, 9, 10 and 11.

James Murray

Gov 8

Schedule 4, page 147, line 35, leave out "of the group has" and insert "meets Condition A and Condition B for that period"

Member's explanatory statement

This amendment forms part of a series of amendments designed to make sure that multinational top-up tax, and domestic top-up tax, apply properly in cases involving joint ventures. See also amendments 5, 6, 7, 9, 10 and 11.

James Murray

Gov 9

Schedule 4, page 147, line 37, after "group" insert "(the "relevant group")"

Member's explanatory statement

This amendment forms part of a series of amendments designed to make sure that multinational top-up tax, and domestic top-up tax, apply properly in cases involving joint ventures. See also amendments 5, 6, 7, 8, 10 and 11.

James Murray

Gov 10

Schedule 4, page 147, line 39, leave out "of the group have," and insert "meet Condition C for that period and—

- (i) all of those members are located in the United Kingdom, or
- (ii) the relevant group is a multinational group (see section 126 in Part 3), and at least one of the members is located in a Pillar Two territory."

Member's explanatory statement

This amendment forms part of a series of amendments designed to make sure that multinational top-up tax, and domestic top-up tax, apply properly in cases involving joint ventures. See also amendments 5, 6, 7, 8, 9, and 11.

James Murray**Gov 11**

Schedule 4, page 147, leave out lines 40 and 41

Member's explanatory statement

This amendment forms part of a series of amendments designed to make sure that multinational top-up tax, and domestic top-up tax, apply properly in cases involving joint ventures. See also amendments 5, 6, 7, 8, 9, and 10.

James Murray**Gov 24**

Schedule 4, page 151, line 19, leave out "(e)" and insert "(d)"

Member's explanatory statement

This amendment corrects an incorrect cross-reference.

James Murray**Gov 25**

Schedule 4, page 153, line 12, after "establishment" insert "and that is incurred in the territory of the permanent establishment"

Member's explanatory statement

This amendment ensures the correct allocation of tax of an entity with a permanent establishment.

James Murray**Gov 26**

Schedule 4, page 154, line 36, leave out "(2)(a)(i)" and insert "(2)(a)(ii)"

Member's explanatory statement

This amendment corrects an incorrect cross-reference.

James Murray**Gov 27**

Schedule 4, page 159, line 42, leave out "territory" and insert "tax"

Member's explanatory statement

This amendment corrects an error.

James Murray

Gov 28

Schedule 4, page 160, line 28, after second "return" insert "notification"

Member's explanatory statement

This amendment ensures the correct document is referred to.

James Murray

Gov 29

Schedule 4, page 160, line 29, after "return" insert "or notification"

Member's explanatory statement

This amendment is consequential on Amendment 28.

James Murray

Gov 12

Schedule 4, page 161, line 32, at end insert—

"54A In section 211 (transfer of assets or liabilities to a member of a multinational group)—

(a) in subsection (2)—

(i) omit the "and" after paragraph (b), and

(ii) after that paragraph insert—

"(ba) the transferor and the transferee are not members of the same type located in the same territory, and", and

(b) after subsection (4) insert—

"(5) For the purposes of subsection (2) two members of a multinational group are of the same type if—

(a) they are both standard members of the group,

(b) they are both investment entities, or

(c) they are both members of the same minority subgroup (see section 228)."

Member's explanatory statement

This amendment removes the requirement for a transfer between members of a multinational group to be reflected on the arm's length basis where the members are of the same type and in the same jurisdiction.

James Murray

Gov 13

Schedule 4, page 162, line 7, at end insert—

“58A In section 217(8), for paragraph (a) substitute—

“(a) the aggregate covered tax balance of the standard members of the group in the territory of the member for the prior period is not reduced by 1 million euros or more, and”.

58B In section 220 (top-up amount of investment entity)—

(a) in subsection (1)—

(i) in Step 8, after “entity” insert “, unless the entity has a positive undistributed income amount (see sections 214 and 215) for the period (in which case proceed to Step 9), and

(ii) after that Step insert—

“Step 9

Where this Step applies, the top-up amount for the entity is the sum of—

(a) the result of Step 8, and

(b) the positive undistributed income amount for the entity for the period multiplied by 15%.”, and

(b) omit subsection (2).”

Member's explanatory statement

This amendment secures that a decrease in covered taxes in a previous accounting period is insignificant (and will therefore be ignored) only if the aggregate of covered taxes payable by the standard members is not reduced by 1 million euros or more, and also corrects an error in the calculation of multinational top-up tax payable in relation to investment entities that would have resulted in an excessive liability.

James Murray

Gov 30

Schedule 4, page 162, line 16, at end insert—

“62A In Schedule 16A (multinational top-up tax: safe harbours), in paragraph 4(1)(b) omit “members of the group that are”.”

Member's explanatory statement

This amendment secures that the provision amended refers to members of a joint venture group, rather than the members of a group that owns the joint venture.

James Murray

Gov 14

Schedule 4, page 162, line 24, at end insert—

“(f) paragraph 58B (top-up amount of investment entity).”

Member's explanatory statement

This amendment is consequential on Amendment 13 (and provides for part of the amendment made by that amendment to have effect for accounting periods beginning on or after 31 December 2023).

James Murray

Gov 31

Schedule 4, page 162, line 34, leave out "by the filing member"

Member's explanatory statement

This amendment clarifies how the retrospection election is to be made.

James Murray

Gov 32

Schedule 4, page 162, line 35, leave out "group or qualifying entity" and insert "a group, or a qualifying entity that is not a member of a group"

Member's explanatory statement

This amendment clarifies how the retrospection election is to be made.

James Murray

Gov 33

Schedule 4, page 162, line 40, at end insert—

"(za) is to be made—

- (i) in the case of a multinational group or group, by the filing member, or
- (ii) in the case of a qualifying entity that is not a member of a group, by that entity,"

Member's explanatory statement

This amendment clarifies how the retrospection election is to be made.

James Murray

Gov 34

Schedule 4, page 163, line 6, after "member" insert ", or former member,"

Member's explanatory statement

This amendment clarifies that consent may be required of former members of a group or multinational group where they could have a liability to domestic top-up tax.

James Murray

Gov 35

Schedule 4, page 163, line 8, after “tax” insert “that has top-up amounts or additional top-up amounts for any accounting period commencing before 31 December 2024 as a result of the person’s membership of the multinational group or group”

Member's explanatory statement

This amendment and amendment 36 make sure that it is only members of a group actually liable to tax that must give consent for the retrospection election.

James Murray

Gov 36

Schedule 4, page 163, line 9, after “entity” insert “that has top-up amounts or additional top-up amounts for any accounting period commencing before 31 December 2024 as a result of the entity’s membership of the multinational group or group”

Member's explanatory statement

This amendment and Amendment 35 make sure that it is only members of a group actually liable to tax that must give consent for the retrospection election.

James Murray

Gov 37

Schedule 4, page 163, line 22, at end insert—

“(9A) Sub-paragraph (9B) applies where—

- (a) the filing member of a multinational group or group has made a retrospection election,
- (b) at the time the election was made it was reasonable for the filing member to consider that the consent of a person was not required,
- (c) that consent was not given,
- (d) the filing member becomes aware that the consent of that person was, or may have been, required, and
- (e) the written consent of that person is given within the period of 60 days beginning with the day on which the condition in paragraph (d) is first met.

(9B) The consent of that person is to be treated as having been given before the election was made.”

Member's explanatory statement

This amendment allows retrospective consent to be given in respect of elections.

James Murray

Gov 15

Clause 21, page 11, line 21, after “is” insert “or has been”

Member's explanatory statement

This amendment makes it clear that new section 690 applies if an employee has been internationally mobile in a tax year, even if the employee is no longer internationally mobile.

James Murray

Gov 16

Clause 21, page 12, line 4, after "being" insert "or having been"

Member's explanatory statement

This amendment is consequential on Amendment 15.

James Murray

Gov 17

Clause 21, page 12, line 22, after "is" insert "or has been"

Member's explanatory statement

This amendment makes it clear that a notice under new section 690A can be given during the mobile tax year if the employee has been internationally mobile during that year, even if the employee is no longer internationally mobile.

James Murray

Gov 18

Clause 21, page 13, line 22, leave out "public notice given" and insert "general direction made"

Member's explanatory statement

This amendment means that the requirements of notices under new section 690A will be specified in a general direction made by HMRC rather than a public notice.

James Murray

Gov 19

Clause 21, page 15, line 38, at end insert—

"(3) Any direction given by an officer of Revenue and Customs under section 690 of ITEPA 2003 (employee non-resident etc) has no effect in relation to tax year 2025-2026 or any subsequent tax year."

Member's explanatory statement

This amendment means that any direction given under the old section 690 will cease to have effect in relation to future tax years.

James Murray

Gov 38

Schedule 6, page 180, line 32, leave out "by a person ("P") other than a company"

Member's explanatory statement

This amendment allows for the distributions relief to be given in circumstances where the capital gains tax relief for employee ownership trusts is not available because the vendor of the shares in the company to which the employee ownership trust relates is a company (provided the other conditions for the capital gains tax relief being given are met).

James Murray

Gov 39

Schedule 6, page 181, line 2, at end insert—

“(d) the payment was made for the purposes of meeting the trustees’ acquisition costs.”

Member's explanatory statement

This amendment requires that the distribution that is the subject of the relief was actually made for the purposes of meeting acquisition costs.

James Murray

Gov 40

Schedule 6, page 181, line 10, after “trusts)” insert “, but those requirements have effect for the purposes of this section as if references to “P” were to the person making the disposal whether or not that person is a company”

Member's explanatory statement

This amendment is consequential on Amendment 38, and secures that the capital gains tax relief requirements are capable of applying properly in circumstances where the vendor of the shares in the company to which the employee ownership trust relates is a company.

James Murray

Gov 41

Schedule 6, page 181, line 11, leave out “subsection (2)” and insert “this section”

Member's explanatory statement

This amendment is consequential on Amendment 39 (and secures that “acquisition costs” is defined for the purposes of the whole section).

James Murray

Gov 42

Schedule 6, page 181, line 12, after “are” insert “sums expended by the trustees on”

Member's explanatory statement

This amendment, and Amendment 43, expand the scope of acquisition costs that can benefit from the relief.

James Murray

Gov 43

Schedule 6, page 181, leave out lines 13 to 19 and insert—

- “(a) the acquisition of ordinary share capital in C by the trustees that resulted from the disposal;
- (b) the repayment of any sums borrowed to fund that acquisition;
- (c) the payment of interest on any such sums or in respect of any deferral of consideration for the disposal to the extent the payment is not in respect of interest exceeding a reasonable commercial rate;
- (d) any valuation of C carried out in connection with the acquisition;
- (e) any liability to stamp duty or stamp duty reserve tax on the acquisition;
- (f) such other reasonable expenses as are directly connected with the acquisition (but this does not include any expenses incurred in connection with the ownership of the ordinary share capital once acquired).”

Member's explanatory statement

This amendment, and Amendment 42, expand the scope of acquisition costs that can benefit from the relief.

James Murray

Gov 20

Clause 37, page 31, line 21, at end insert—

“12A	<p>So much of any amount of income treated as arising to an individual under section 633 (capital sums paid to settlor by trustees of settlement) for the tax year as falls within the foreign amount of income available up to the end of the tax year.</p> <p>The foreign amount of income available up to the end of a tax year is the amount that would be determined, in accordance with sections 635 to 637 (amount of available income), as the amount of income available up to the end of the tax year if all income arising under the settlement from a source in the United Kingdom were ignored.”</p>
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Member's explanatory statement

This amendment provides for income treated as arising to a settlor of a trust as a result of a capital payment made by the trustees to be eligible for relief to the extent that the deemed income arises from foreign income.

James Murray

Gov 44

Schedule 8, page 194, line 33, leave out “qualifying” and insert “non-resident or qualifying”

Member's explanatory statement

This amendment is to make parenthetical description of sections 373 and 374 of ITEPA 2003 consistent with those sections as amended by Schedule 8.

James Murray

Gov 45

Schedule 8, page 194, line 39, after "Part 2" insert "of this Act or Chapter 5 of Part 8 of ITTOIA 2005 (see section 845B of that Act)"

Member's explanatory statement

This amendment provides that an employee must not be a qualifying new resident for the purposes of Chapter 5 of Part 8 of ITTOIA 2005 to benefit from a deduction under section 341 of ITEPA 2003, as well as not being a qualifying new resident for the purposes of ITEPA 2003.

James Murray

Gov 46

Schedule 8, page 195, line 4, after "Part 2" insert "of this Act or Chapter 5 of Part 8 of ITTOIA 2005 (see section 845B of that Act)"

Member's explanatory statement

This amendment provides that an employee must not be a qualifying new resident for the purposes of Chapter 5 of Part 8 of ITTOIA 2005 to benefit from a deduction under section 342 of ITEPA 2003, as well as not being a qualifying new resident for the purposes of ITEPA 2003.

James Murray

Gov 47

Schedule 8, page 195, line 11, after "Part 2" insert "of this Act or Chapter 5 of Part 8 of ITTOIA 2005 (see section 845B of that Act)"

Member's explanatory statement

This amendment provides that an employee can benefit from deductions under section 355 of ITEPA 2003 where the employee is a qualifying new resident for the purposes of Chapter 5 of Part 8 of ITTOIA 2005, as well as where the employee is a qualifying new resident for the purposes of ITEPA 2003.

James Murray

Gov 48

Schedule 8, page 195, line 13, leave out "qualifying" and insert "non-resident or qualifying"

Member's explanatory statement

This amendment is to make the parenthetical description of section 373 of ITEPA 2003 consistent with that section as amended by Schedule 8.

James Murray

Gov 49

Schedule 8, page 195, line 36, after "Part 2" insert "of this Act or Chapter 5 of Part 8 of ITTOIA 2005 (see section 845B of that Act)"

Member's explanatory statement

This amendment provides that an employee can benefit from deductions under section 373 of ITEPA 2003 where the employee is a qualifying new resident for the purposes of Chapter 5 of Part 8 of ITTOIA 2005, as well as where the employee is a qualifying new resident for the purposes of ITEPA 2003.

James Murray

Gov 50

Schedule 8, page 196, line 7, after "Part 2" insert "of this Act or Chapter 5 of Part 8 of ITTOIA 2005 (see section 845B of that Act)"

Member's explanatory statement

This amendment provides that an employee can benefit from deductions under section 374 of ITEPA 2003 where the employee is a qualifying new resident for the purposes of Chapter 5 of Part 8 of ITTOIA 2005, as well as where the employee is a qualifying new resident for the purposes of ITEPA 2003.

James Murray

Gov 51

Schedule 8, page 196, leave out line 16

Member's explanatory statement

This amendment reinstates section 375 of ITEPA 2003 which defines "qualifying arrival date" for the purposes of sections 373 and 374 of ITEPA 2003.

James Murray

Gov 52

Schedule 8, page 196, line 21, after "Part 2" insert "of this Act or Chapter 5 of Part 8 of ITTOIA 2005 (see section 845B of that Act)"

Member's explanatory statement

This amendment provides that an employee must not be a qualifying new resident for the purposes of Chapter 5 of Part 8 of ITTOIA 2005 to benefit from a deduction under section 376 of ITEPA 2003, as well as not being a qualifying new resident for the purposes of ITEPA 2003.

James Murray

Gov 53

Schedule 8, page 197, line 17, at end insert—

- “2A In Part 8 of Schedule 3 to the Social Security (Contributions) Regulations 2001 (S.I. 2001/1004), in paragraph 5 (travel costs and expenses where duties performed in the United Kingdom) —
- (a) in the heading, for “non-domiciled” substitute “non-resident or qualifying new resident”;
 - (b) in paragraph (a), for “non-domiciled” substitute “non-resident or qualifying new resident”.”

Member's explanatory statement

This amendment makes the parenthetical descriptions of sections 373 and 374 of ITEPA 2003 contained in the Social Security (Contributions) Regulations 2001 consistent with those sections as amended by Schedule 8.

James Murray

Gov 54

Schedule 8, page 198, line 32, leave out “public notice given” and insert “general direction made”

Member's explanatory statement

This amendment means that the requirements of notices under new section 690D will be specified in a general direction made by HMRC rather than a public notice.

James Murray

Gov 55

Schedule 9, page 208, line 24, leave out “sections 56(5)(a), 61G(5)(a) and 61R(5)(a)” and insert “sections 56, 61G and 61R”

Member's explanatory statement

This amendment together with Amendment 56 omits subsections that have become redundant in light of the ending of the relevance of domicile to income tax.

James Murray

Gov 56

Schedule 9, page 208, line 25, leave out from “payment)” to end of line 27 and insert “, omit subsections (4) and (5).”

Member's explanatory statement

This amendment together with Amendment 55 omits subsections that have become redundant in light of the ending of the relevance of domicile to income tax.

James Murray

Gov 57

Schedule 9, page 210, line 34, at end insert—

“Premium trust funds

21A In section 174 of FA 1993 (premium trust funds), omit subsection (6)(a).

FOTRA securities

21B(1) In section 22 of F(No.2)A 1931 (Treasury power to issue securities with a FOTRA condition)—

- (a) in subsection (1)(b), for “persons who are neither domiciled nor resident in the United Kingdom” substitute “exempt persons”;
- (b) after subsection (1) insert—

“(1A) For the purposes of subsection (1), the following persons are “exempt persons”—

- (a) individuals who are not resident in the United Kingdom, and
- (b) persons who are not individuals and are neither domiciled nor resident in the United Kingdom.”

(2) In section 154 of FA 1996 (FOTRA securities), in subsection (1)—

- (a) after “applies,” insert “where the person with the beneficial ownership of the securities is not an individual and”;
- (b) for “the person with beneficial ownership of the securities” substitute “that person”.

(3) Any security issued before 29th April 1996 with a FOTRA condition shall be treated in relation to times on or after 6 April 2025 as if—

- (a) it were a security issued with the post-1996 FOTRA conditions (and with no other FOTRA condition), and
- (b) the post-1996 FOTRA conditions had been authorised in relation to the issue of that security by virtue of section 22 of F(No.2)A 1931.

(4) In sub-paragraph (3) —

“a FOTRA condition” means a condition about exemption from taxation authorised by section 22 of F(No.2)A 1931;

“the post-1996 FOTRA conditions” means the conditions about exemption from taxation with which 7.25% Treasury Stock 2007 was first issued by virtue of section 22 of F(No.2)A 1931.”

James Murray

Gov 58

Schedule 9, page 210, line 34, at end insert—

“Reliefs in respect of income from investments etc. of certain pension schemes

21C In section 614 of the Income and Corporation Taxes Act 1988 (exemptions and reliefs in respect of income from investments etc. of certain pension schemes), in subsections (4) and (5), omit “not domiciled and”.

Member's explanatory statement

This amendment removes references to domicile in provisions of the Income and Corporation Taxes Act 1988 relating to relief on income from investments of certain pension schemes.

James Murray

Gov 59

Schedule 10, page 214, line 6, leave out paragraph (a) and insert—

“(a) Part 2 of this Schedule (exemptions etc for designated qualifying overseas capital),”

Member's explanatory statement

This amendment corrects an incorrect reference.

James Murray

Gov 60

Schedule 12, page 238, leave out lines 21 to 23 and insert—

“(b) the original recipient—

- (i) is liable neither to income tax nor to capital gains tax by reference to the amount or value of the original benefit, or
- (ii) is a qualifying new resident for the tax year in which the original benefit is provided,”

Member's explanatory statement

This amendment expands the scope of the onward gifting rule to circumstances where benefits are routed via individuals who are UK resident but who are not themselves within the scope of the benefits charge (because they are not the settlor or a close family member).

James Murray

Gov 61

Schedule 12, page 239, line 41, at end insert—

“(5A) Where the original recipient is liable neither to income tax nor to capital gains tax 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.”

Member's explanatory statement

This amendment supplements Amendment 60.

James Murray

Gov 62

Schedule 13, page 266, line 35, at end insert—

“(2A) In subsection (1)—

- (a) in the definition of “excluded property”, for “6 and 48” substitute “6, 48 and 48ZA”;
- (b) omit the definition of “formerly domiciled resident”.

Member's explanatory statement

This amendment updates the definition of “excluded property” in section 272 of the Inheritance Tax Act 1984 in consequence of the amendments made by clause 45. It also removes the now-redundant definition of “formerly domiciled resident”.

James Murray

Gov 63

Schedule 13, page 266, line 36, at beginning insert “Also”

Member's explanatory statement

This amendment is consequential on Amendment 62.

James Murray

Gov 64

Schedule 13, page 267, line 25, at end insert—

“28A(1) Schedule A1 (non-excluded overseas property) is amended as follows.

- (2) In paragraph 1, for “48(3)(a)” substitute “48ZA”.
- (3) In paragraph 5(2)(a), for “or 48(3)(a), (3A) or (4)” substitute “, section 48(4) or section 48ZA”.

Member's explanatory statement

This amendment is consequential on clause 45 (which amends section 48 of the Inheritance Tax Act 1984 and inserts new section 48ZA).

James Murray

Gov 65

Schedule 13, page 271, line 39, at end insert—

“(1A) In construing section 267 of IHTA 1984, so far as saved by sub-paragraph (1), the repeal of the definition of “formerly domiciled resident” by paragraph 28(2A)(b) is also to be disregarded.”

Member's explanatory statement

This amendment clarifies that the definition of “formerly domiciled resident”, which is being removed from the Inheritance Tax Act 1984 by Amendment 62, will still be relevant in construing section 267 (which by virtue of paragraph 48 of Schedule 13 will continue to apply for certain limited purposes).

Mr Angus MacDonald

66

Clause 63, page 68, line 10, leave out “£32.79” and insert “£31.64”

James Wild

67

Gareth Davies

Clause 82, page 95, line 14, at end insert—

“(2) In doing so His Majesty’s Revenue and Customs must have regard to the desirability of requiring a digital tax stamp to be applied to e-cigarette liquids.”

Member's explanatory statement

This amendment requires HMRC to have regard for requiring a digital tax stamp to be applied to e-cigarette liquids.

James Murray

Gov NC1

To move the following Clause—

“Rate of vehicle excise duty for haulage vehicles other than showman’s vehicles

- (1) In paragraph 7(3A) of Schedule 1 to VERA 1994 (which specifies the rate of vehicle excise duty applicable to haulage vehicles other than showman’s vehicles), for “£350” substitute “£365”.
- (2) The amendment made by this section has effect in relation to licences taken out on or after 1 April 2025.”

Member's explanatory statement

This new clause provides for an increase in the rate of vehicle excise duty applicable to haulage vehicles other than showman’s vehicles.

Mr Angus MacDonald

NC2

Mr Paul Kohler

To move the following Clause—

“Review of sections 63 and 64

- (1) The Chancellor of the Exchequer must, within six months of the passing of this Act and every six months thereafter, review the impact of the measures contained in sections 63 and 64 of this Act.
- (2) Each review must consider the impact of the measures on—
 - (a) Scotch whisky distilleries,
 - (b) small spirit distilleries,
 - (c) wine producers and wholesalers,
 - (d) the hospitality industry, and
 - (e) those operating in the night-time economy.
- (3) Each review must also examine the expected effect of the measures on exports and the domestic wine trade.
- (4) A report setting out the findings of each review must be published and laid before both Houses of Parliament.”

Gareth Davies

NC3

James Wild

To move the following Clause—

“Review of impact of section 1 on recipients of the full rate of the new state pension

- (1) The Chancellor of the Exchequer must, within three months of this Act being passed, publish a review of the expected impact of section 1 of this Act on recipients of the full rate of the new state pension.
- (2) The review must include analysis setting out, for the tax year 2025-26 —
 - (a) the total number of people in receipt of the full rate of the new state pension paying tax under section 1 of this Act, and
 - (b) the tax liability of state pension income under section 1 of this Act of those in subsection (2)(a).
- (3) For comparative purposes, the review must take account of equivalent projected figures for subsections (2)(a) and (2)(b) for the tax years 2026-27, 2027-28, 2028-29 and 2029-30.”

Member's explanatory statement

This new clause would require a review of how many people receiving the new state pension at the full rate are liable to pay income tax this year and in the next four tax years, and specifically what the tax liability of their state pension income will be.

James Wild

NC4

Gareth Davies

To move the following Clause—

“Statements on increasing alcohol duty

- (1) The Chancellor of the Exchequer must, within six months of this Act being passed, make a statement to Parliament about the increase to alcohol duty introduced by section 63 of this Act.
- (2) The statement under subsection (1) must include details of the impact on—
 - (a) hospitality sector,
 - (b) pubs, and
 - (c) UK wine sector.”

Member's explanatory statement

This new clause requires the Secretary of State to make a statement about the impact of increasing alcohol duty.

James Wild

NC5

Gareth Davies

To move the following Clause—

“Review of effects of section 65 on illicit tobacco market

The Chancellor of the Exchequer must, within six months of this Act being passed, publish an assessment of the impact of the changes introduced by section 65 of this Act, on the illicit tobacco market.”

Member's explanatory statement

This new clause requires the Chancellor to review the impact increased rates of tobacco duty on the illicit tobacco market.

James Wild

NC6

Gareth Davies

To move the following Clause—

“Review of effects of £40,000 expensive car supplement threshold

- (1) The Chancellor of the Exchequer must, within six months of this Act being passed, publish an assessment of the impact of the £40,000 expensive car supplement threshold included in section 66.
- (2) The assessment in subsection (1) must consider the effects of the threshold on the proportion of new cars sold which are Electric Vehicles.”

Member's explanatory statement

This new clause requires the Chancellor to review the impact of the £40,000 expensive car supplement threshold.

James Wild

NC7

Gareth Davies

To move the following Clause—

“Statements on HGV Vehicle Excise Duty (VED) and HGV Road User Levy

- (1) The Chancellor of the Exchequer must, within six months of this Act being passed, make a statement to Parliament about the increase to HGV VED introduced by sections 67 to 69 and increase to the HGV Road User Levy under section 71 of this Act.
- (2) The statement under subsection (1) must include details of the impact on—
 - (a) the haulage sector,
 - (b) the decarbonisation of the logistics industry, and
 - (c) the UK economy.”

Member's explanatory statement

This new clause requires the Chancellor to make a statement about the impact of increasing Vehicle Excise Duty on HGVs.

James Wild

NC8

Gareth Davies

To move the following Clause—

“Review of bands and rates of air passenger duty

- (1) The Chancellor of the Exchequer must, within eighteen months of this Act being passed, publish an assessment of the impact of the changes to air passenger duty introduced by section 73 of this Act on—
 - (a) the public finances;
 - (b) carbon emissions; and
 - (c) household finances.
- (2) The assessment under subsection (1)(c) must consider how households at a range of different income levels are affected by these changes.”

Member's explanatory statement

This new clause requires the Chancellor to publish an assessment of this Act's changes to air passenger duty on the public finances, carbon emissions, and on the finances of households at a range of different income levels.

James Wild

NC9

Gareth Davies

To move the following Clause—

“Statements on soft drinks industry levy

- (1) The Chancellor of the Exchequer must, within six months of this Act being passed, make a statement to Parliament about the increase to the soft drinks industry levy introduced in section 78 of this Act.
- (2) The statement under subsection (1) must include details of the impact on—
 - (a) encouraging reformulation of packaged soft drinks, and
 - (b) the UK soft drinks industry.”

Member's explanatory statement

This new clause requires the Chancellor to make a statement about the impact of increasing the soft drinks industry levy.

James Wild

NC10

Gareth Davies

To move the following Clause—

“Review of business taxes

- (1) The Chancellor of the Exchequer must, within six months of this Act being passed—
 - (a) conduct a review of business taxes, and
 - (b) lay before the House of Commons a report setting out recommendations arising from the review.
- (2) The review must make recommendations on how to—
 - (a) use business taxes to encourage and increase the investment of profits and revenue; and
 - (b) ensure businesses have more certainty about the taxes to which they are subject.
- (3) In this section, “business taxes” includes any tax in respect of which this Act makes provision that is paid by a business.”

Member's explanatory statement

This new clause would require the Chancellor to conduct a review of business taxes, and to make recommendations on how to increase certainty and investment, before the next Finance Bill is published.

James Wild

NC11

Gareth Davies

To move the following Clause—

“Review of impact of tax changes in this Act on households

- (1) The Chancellor of the Exchequer must, within six months of this Act being passed, publish an assessment of the impact of the changes in this Act on household finances.
- (2) The assessment in subsection (1) must consider how households at a range of different income levels are affected by these changes.”

Member's explanatory statement

This new clause requires the Chancellor to publish an assessment of the changes in this Act on the finances of households at a range of different income levels.

James Wild

NC12

Gareth Davies

To move the following Clause—

“Review of effects of the Act on small businesses

- (1) The Chancellor of the Exchequer must, within six months of this Act being passed, lay before the House of Commons a report on the likely impact of the measures in this Act on small businesses.
- (2) The report must assess the effect on small businesses of any taxes charged under this Act, in the context of other financial pressures currently facing small businesses.”

Member's explanatory statement

This new clause would require the Government to produce an impact assessment of the effect of the Act on small businesses.

Order of the House

[27 November 2024]

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) Clauses 7 to 12 and Schedules 1 and 2 (capital gains tax rates and reliefs);
 - (b) Clauses 15 to 18 and Schedule 3 (oil and gas);
 - (c) Clauses 47 to 49 (value added tax on private school fees);
 - (d) Clauses 50 to 53 (stamp duty land tax); and

- (e) any new Clauses or new Schedules relating to the subject matter of the Clauses and Schedules mentioned in paragraphs (a) to (d).
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. The proceedings—
 - (a) shall be taken on each of those days 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
First day	
Clause 7 and Schedule 1; Clauses 8 to 11 and Schedule 2; Clause 12; any new Clauses or new Schedules relating to the subject matter of those Clauses and those Schedules	3 hours after the commencement of proceedings on the Bill on the first day.
Clauses 15 to 18 and Schedule 3; any new Clauses or new Schedules relating to the subject matter of those Clauses and that Schedule	6 hours after the commencement of proceedings on the Bill on the first day.
Second day	
Clauses 47 to 49; any new Clauses or new Schedules relating to the subject matter of those Clauses	3 hours after the commencement of proceedings on the Bill on the second day.
Clauses 50 to 53; any new Clauses or new Schedules relating to the subject matter of those Clauses	6 hours after the commencement of proceedings on the Bill on the second day.

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 Tuesday 4 February 2025.
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.