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**Report Stage: Thursday 27 February 2025**

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## **Finance Bill, As Amended**

### **(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 Any withdrawn amendments are listed at the end of the document.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.

★ New Amendments.

New Amendments: 67 to 69 and NC1 to NC8

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**James Wild**

**NC1**

★ 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.

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James Wild

NC2

★ To move the following Clause—

**“Energy (oil and gas) profits levy: impact assessment of increase in rate**

- (1) The Chancellor of the Exchequer must, within six months of this Act coming into force, commission and publish an assessment of the expected impact of Sections 15 to 17 of this Act on—
  - (a) domestic energy production and investment;
  - (b) the UK’s energy security;
  - (c) energy prices, and;
  - (d) the UK economy.
- (2) The assessment must examine the impact of provisions in this Act in comparison with what could have been expected had the energy (oil and gas) profits levy remained unchanged.”

**Member's explanatory statement**

This new clause would require the Chancellor to commission and publish an assessment of the expected impact of changes to the energy (oil and gas) profits levy on domestic energy production, the UK’s energy security, energy prices and the UK economy.

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James Wild

NC3

★ 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

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Daisy Cooper

NC4

★ To move the following Clause—

**“Review of impact of Act on small and medium sized enterprises**

- (1) The Chancellor of the Exchequer must, within six months of the passing of this Act, lay before Parliament a report setting out the impact of the measures contained within this Act on small and medium sized enterprises.

- (2) The report must include an assessment of the impact of the Act on the following matters—
- (a) the number of people employed across the UK by small and medium enterprises;
  - (b) the number of small and medium sized enterprises ceasing to trade; and
  - (c) the number of new small and medium sized enterprises established."

**Member's explanatory statement**

This new clause would require the Chancellor to conduct an impact assessment of the Act on small and medium enterprises.

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Daisy Cooper

NC5

★ To move the following Clause—

**"Review of the Impact of Tax Changes on Household Finances**

- (1) The Chancellor of the Exchequer must, within six months of this Act being passed, publish an assessment of the impact of the tax changes introduced by this Act on household finances.
- (2) The assessment must evaluate how households across different income levels are affected by these changes."

**Member's explanatory statement**

This new clause requires the Chancellor to assess and publish a report on how the tax changes in this Act impact households at various income levels.

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Daisy Cooper

NC6

★ To move the following Clause—

**"Report on fiscal effects: relief for investment expenditure**

The Chancellor of the Exchequer must, within six months of the passing of this Act, lay before Parliament a report setting out the impact of the measures contained in clause 16 of this Act on tax revenue."

**Member's explanatory statement**

This new clause would require the Government to produce a report setting out the fiscal impact of the Bill's changes to the Energy Profits Levy investment expenditure relief.

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Daisy Cooper

NC7

★ To move the following Clause—

**“Pupils with SEND without an Education Health and Care Plan: review of VAT provisions**

- (1) The Chancellor of the Exchequer must, within six months of the passing of this Act and every six months thereafter, lay before Parliament a review of the impact of the measures contained in sections 47 to 49 of this Act on pupils with special educational needs and disabilities.
- (2) The review must consider in particular the impact of those measures on—
  - (a) children with special needs who do not have an education health and care plan (EHCP); and
  - (b) the number of children whose families have applied for an EHCP.”

**Member's explanatory statement**

This new clause would require the Government to produce an impact assessment of the effect of the VAT provisions in the Act on pupils who have special educational needs but do not have an Education Health and Care Plan.

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Daisy Cooper

NC8

Mr Angus MacDonald  
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 include an estimate of administrative and operational costs for the preceding 12-month period for each of the sectors listed in subsection (2).
- (4) Each review must consider the impact of the measures on the retail price for consumers of products subject to alcohol duty.
- (5) Each review must also examine the expected effect of the measures on the domestic wine trade.

- (6) A report setting out the findings of each review must be published and laid before both Houses of Parliament.”

**Member's explanatory statement**

This new clause would require the Government to produce an impact assessment of the measures on the Act on distilleries, wine producers and the hospitality industry.

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**The Chancellor of the Exchequer**

**Gov 1**

Clause 26, page 17, line 32, leave out “the Chapter 3 credit amount” and insert “the adjusted VFX portion of those credits”

**Member's explanatory statement**

This amendment is consequential on Amendment 2.

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**The Chancellor of the Exchequer**

**Gov 2**

Clause 26, page 17, line 35, leave out from beginning to end of line 27 on page 18 and insert—

- “(4) Take the following steps to determine the adjusted VFX portion of previously claimed Chapter 3 credits—

*Step 1 (identify the total UK expenditure in the AVEC period)*

Determine the total amount of the company’s relevant global expenditure (see section 1179CA(2)) that—

- (a) is UK expenditure (see section 1179AB), and
- (b) was incurred for accounting periods falling within the company’s AVEC period.

*Step 2 (identify the amount of visual effects expenditure)*

Determine how much of the result of Step 1 is relevant visual effects expenditure.

*Step 3 (determine the extent to which the 80% cap applied)*

Determine the amount (if any) of the excess to be deducted at Step 3 in section 1179CA(1) for the most recent accounting period for which a claim for Chapter 3 credit was made (which may be the claim period). If that amount is nil go to Step 4, otherwise go to Step 5.

*Step 4 (where the 80% cap did not apply, calculate the adjusted VFX portion)*

If this Step applies, the adjusted VFX portion is the amount given by multiplying—

- (a) the sum of Chapter 3 credits claimed by the production company, by
- (b) the amount given by dividing the result of Step 2 by the result of Step 1.

*Step 5 (treat the 80% cap as affecting the VFX portion first)*

Subtract the result of Step 3 from the result of Step 2. If the result is nil or less, the adjusted VFX portion is nil. If not, go to Step 6.

*Step 6 (calculate the adjusted VFX portion, taking account of the 80% cap)*

If this Step applies, the adjusted VFX portion is the amount given by multiplying the result of Step 5 by 0.34."

**Member's explanatory statement**

This amendment clarifies, and corrects, the calculation of the relief.

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**The Chancellor of the Exchequer**

**Gov 3**

Clause 26, page 18, line 32, leave out "remainder" and insert "result of Step 5 in that subsection"

**Member's explanatory statement**

This amendment is consequential on Amendment 2.

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**The Chancellor of the Exchequer**

**Gov 4**

Clause 26, page 18, line 36, at end insert—

"a company's "AVEC period" means the period beginning with the commencement of the first accounting period for which this Part applies further to the election by the company under section 1179B(1) and ending with the end of the claim period;"

**Member's explanatory statement**

This amendment is consequential on Amendment 2.

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**The Chancellor of the Exchequer**

**Gov 5**

Clause 37, page 28, line 17, leave out "and" and insert "to"

**Member's explanatory statement**

This amendment is consequential on Amendment 6.

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**The Chancellor of the Exchequer**

**Gov 6**

Clause 37, page 29, line 36, at end insert—

**"845CA Effect of claim, foreign employment election or foreign gain claim: costs of dwelling-related loan**

(1) This section applies where an individual—

- (a) has a relievable amount for a tax year in respect of an overseas property business for the purposes of section 274A (reduction for individuals: entitlement), and

- (b) makes a foreign income claim, a foreign employment election or a foreign gain claim for the tax year.
- (2) The individual is not entitled to relief under section 274A for that tax year in respect of that relievable amount.
- (3) For the purposes of section 274A, the individual's brought-forward amount for the following tax year in respect of the overseas property business is nil."

**Member's explanatory statement**

This amendment means that an individual who makes a foreign income claim, foreign employment election or foreign gain claim for a tax year is not entitled to relief under section 274A of ITTOIA 2005 for any relievable amount for that tax year in respect of an overseas property business.

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The Chancellor of the Exchequer

Gov 7

Clause 37, page 30, line 13, at end insert—

**"845DA Effect of claim on relief for contributions to registered pension schemes**

- (1) Subsection (2) applies where—
  - (a) an individual makes a foreign income claim for a tax year,
  - (b) the individual is entitled to relief under section 188 of FA 2004 (relief for contributions) for that tax year, and
  - (c) the maximum amount of relief to which the individual is entitled under that section for that tax year is greater than the basic amount within the meaning of section 190(4) of that Act.
- (2) The maximum amount of relief to which the individual is entitled under section 188 of that Act for that tax year is to be reduced by the lesser of—
  - (a) the relevant amount, and
  - (b) the amount that would reduce the maximum amount of relief to the basic amount.
- (3) The "relevant amount" is the amount of the relief to which the individual is entitled under section 845A(2) of this Act as a result of making the foreign income claim, so far as that amount reflects relevant qualifying foreign income.
- (4) An amount of qualifying foreign income is "relevant qualifying foreign income" if the income is relevant UK earnings within the meaning of section 189(2) of FA 2004."

**Member's explanatory statement**

This amendment means that where an individual has made a foreign income claim, any relief for contributions to registered pension schemes to which the individual is entitled is reduced by the amount of the relief obtained as a result of the foreign income claim so far as the relief reflects income that is relevant UK earnings (but not below the basic amount).

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**The Chancellor of the Exchequer**

**Gov 8**

Clause 37, page 34, line 1, leave out “section 38” and insert “section 34”

**Member's explanatory statement**

This amendment corrects a cross-reference.

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**The Chancellor of the Exchequer**

**Gov 9**

Clause 38, page 36, line 18, leave out “and” and insert “to”

**Member's explanatory statement**

This amendment is consequential on Amendment 6.

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**The Chancellor of the Exchequer**

**Gov 10**

Clause 38, page 40, line 17, at end insert—

**“41RA Effect of claim on relief for contributions to registered pension schemes**

- (1) This section applies where an individual who is an active member of a registered pension scheme for the purposes of section 188 of FA 2004 (relief for contributions) makes a foreign employment relief claim for a tax year.
- (2) For the purposes of sections 189(1)(a) and 190 of that Act, references to the amount of the individual's relevant UK earnings chargeable to income tax for that year are to be read as references to that amount minus the relieved amount.
- (3) The “relieved amount” is the amount of the relief to which the individual is entitled under section 41P(2) of this Act as a result of making the foreign employment relief claim.”

**Member's explanatory statement**

This amendment means that where an individual has made a foreign employment claim, any relief for contributions to registered pension schemes to which the individual is entitled is reduced by the amount of relief obtained as a result of the foreign employment claim (but not below the basic amount).

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**The Chancellor of the Exchequer**

**Gov 11**

Clause 39, page 46, line 1, leave out “section 87” and insert “sections 87 and 89(2)”

**Member's explanatory statement**

This amendment is consequential on Amendment 12.



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**The Chancellor of the Exchequer**

**Gov 12**

Clause 39, page 46, line 4, after "87" insert "or 89(2)"

**Member's explanatory statement**

This amendment secures that relief is available under the FIG regime for gains treated as accruing under section 89(2) of the Taxation of Chargeable Gains Act 1992 (migrating settlements).

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**The Chancellor of the Exchequer**

**Gov 13**

Clause 39, page 46, line 5, leave out "non-resident"

**Member's explanatory statement**

This amendment is consequential on Amendment 12.

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**The Chancellor of the Exchequer**

**Gov 14**

Clause 39, page 46, line 15, leave out "and 87A" and insert ", 87A and 89(2)"

**Member's explanatory statement**

This amendment is consequential on Amendment 12.

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**The Chancellor of the Exchequer**

**Gov 15**

Clause 39, page 46, line 34, leave out "and" and insert "to"

**Member's explanatory statement**

This amendment is consequential on Amendment 6.

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**The Chancellor of the Exchequer**

**Gov 16**

Clause 40, page 49, line 3, leave out "subsection (5)" and insert "subsections (4A) and (5)"

**Member's explanatory statement**

This amendment is consequential on Amendment 24.

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**The Chancellor of the Exchequer**

**Gov 17**

Clause 40, page 49, line 4, at end insert—

"(4A) Paragraph 5A (relief for amounts remitted again on becoming UK resident) is to be treated as having always had effect."

**Member's explanatory statement**

This amendment is consequential on Amendment 24.

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**James Wild**

67

★ Page 53, line 30, leave out Clause 47

**Member's explanatory statement**

This amendment removes Clause 47, which removes the VAT exemption for private school fees.

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**James Wild**

68

★ Page 56, line 13, leave out Clause 48

**Member's explanatory statement**

This amendment removes Clause 48, which introduces anti-forestalling provisions.

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**James Wild**

69

★ Page 56, line 13, leave out Clause 49

**Member's explanatory statement**

This amendment removes Clause 49, which sets out the commencement date.

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**The Chancellor of the Exchequer**

Gov 18

Schedule 3, page 116, line 30, leave out paragraph (a)

**Member's explanatory statement**

This amendment removes a condition that is now not needed as a result of the condition inserted by Amendment 19.

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**The Chancellor of the Exchequer**

Gov 19

Schedule 3, page 117, line 4, leave out paragraph (c) and insert—

“(c) the payment has been certified in an approval notice given under section 30A(5)(b) or 30B(3)(b) of that Act.”

**Member's explanatory statement**

This amendment provides that a payment (direct or indirect) into a decommissioning fund must be certified by the Secretary of State in order for it to qualify as decommissioning expenditure.

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**The Chancellor of the Exchequer**

**Gov 20**

Schedule 3, page 117, line 9, leave out sub-paragraph (3) and insert—

“(3) For the purposes of sub-paragraph (2), a payment to a licensed company under an agreement to pay a required amount for the purposes of payment into the decommissioning fund is to be regarded as a payment into that fund.

(3A) But the onward payment into the fund by that licensed company is not a qualifying payment.”

**Member's explanatory statement**

This amendment clarifies that an indirect payment into a decommissioning fund is capable of being a qualifying payment (provided it meets the conditions in paragraph 1(2) of Schedule 3 to the Bill).

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**The Chancellor of the Exchequer**

**Gov 21**

Schedule 9, page 214, line 11, leave out from “in” to end of line 13 and insert “property situated outside the United Kingdom becoming situated in the United Kingdom.”

**Member's explanatory statement**

This amendment makes it clear that the new section 809(9A)(b) of ITA 2007 only applies where the situs of existing intangible property changes.

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**The Chancellor of the Exchequer**

**Gov 22**

Schedule 9, page 214, line 13, at end insert—

“(9B) Sections 275 to 275C of TCGA 1992 (location of assets) apply for the purposes of subsection (9A)(b) as they apply for the purposes of TCGA 1992.

(9C) But subsection (9B) does not apply where the intangible property is a debt other than a judgment debt.”

**Member's explanatory statement**

This amendment means that the common law will determine where a debt (other than a judgment debt) is situated for the purposes of the new section 809L(9A)(b) of the Income Tax Act 2007.

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**The Chancellor of the Exchequer**

**Gov 23**

Schedule 9, page 215, line 10, after “to” insert “income tax or capital gains”

**Member's explanatory statement**

This amendment is consequential on Amendment 24.

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The Chancellor of the Exchequer

Gov 24

Schedule 9, page 215, line 10, at end insert—

*“Relief for amounts remitted again on becoming UK resident*

5A (1) This paragraph applies where—

- (a) income or chargeable gains of an individual have been remitted to the United Kingdom during a period that exceeds 5 years—
  - (i) that ends before 6 April 2024, and
  - (ii) in which there was no period for which the individual was UK resident, and
- (b) after the end of that period, but before 6 April 2025—
  - (i) the same, or part of the same, income or chargeable gains (“the repeated remitted amount”) were again remitted to the United Kingdom, and
  - (ii) a relevant charge has arisen in relation to that remittance.

(2) A “relevant charge” in relation to a remittance means—

- (a) income tax becoming chargeable on that remittance, or
- (b) a gain accruing under paragraph 1(2) of Schedule 1 to TCGA 1992 on that remittance.

(3) Any relevant charge that has arisen on the first occasion on which the repeated remitted amount is remitted in circumstances falling within sub-paragraph (1)(b) is to be treated as never having arisen.

(4) But a remittance that is not charged to income tax or capital gains tax as a result of sub-paragraph (3) is to be treated as if it were charged to income or capital gains tax (as the case may be) for the purposes of section 809P(12) of ITA 2007.

(5) This paragraph is to be treated as never having applied where—

- (a) for either, or each, of the tax years 2024-25 and 2025-26, the individual is not UK resident, or
- (b) either, or each, of those tax years is a split year as respects the individual.

(6) References in this paragraph to amounts being remitted to the United Kingdom are to be construed in accordance with Chapter A1 of Part 14 of ITA 2007 (see, in particular, sections 809L to 809O of that Act).”

**Member's explanatory statement**

This amendment gives relief to individuals who have remitted foreign income and gains during an extended period of non-residence, but remit them again on becoming UK resident before the end of tax year 2024-25.

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The Chancellor of the Exchequer

Gov 25

Schedule 9, page 215, line 15, at end insert—

*“Transferable tax allowance for married couples etc*

- 6A In section 55C of ITA 2007 (election to reduce personal allowance), in subsection (3)(b), for “domiciled in the United Kingdom” substitute “not a qualifying new resident”.

**Member's explanatory statement**

This amendment makes an amendment to the Income Tax Act 2007 that is consequential on the ending of the relevance of domicile for income tax purposes and the introduction of relief for qualifying new residents.

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The Chancellor of the Exchequer

Gov 26

Schedule 9, page 218, leave out lines 34 and 35

**Member's explanatory statement**

This amendment omits the repeal of section 174(6)(a) of the Finance Act 1993 because that provision has already been repealed by Schedule 41 of the Finance Act 1996.

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The Chancellor of the Exchequer

Gov 27

Schedule 9, page 219, leave out lines 2 to 29 and insert—

- “23 (1) In section 22 of F(No.2)A 1931 (Treasury power to issue securities with a FOTRA condition), in subsection (1)(b) for “neither domiciled nor” substitute “not”.
- (2) In section 154 of FA 1996 (FOTRA securities), omit subsection (1).
- (3) Any security issued with a FOTRA domicile condition is treated in relation to times on or after 6 April 2025 as if—
- (a) it were a security issued with the post-1996 Act FOTRA conditions (and with no other FOTRA condition), and
  - (b) the post-1996 Act 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;
  - “a FOTRA domicile condition”, in relation to a security, means a FOTRA condition requiring the security to be in the beneficial ownership of persons who are not domiciled in the United Kingdom for an exemption from taxation to apply;
  - “the post-1996 Act FOTRA conditions” means the FOTRA conditions with which 7.25% Treasury Stock 2007 was first issued.”

**Member's explanatory statement**

This amendment ensures that FOTRA securities cannot be issued with conditions about tax exemption requiring any beneficial owners (whether or not they are individuals) to be non-UK domiciled. It also means that any FOTRA securities that were issued with such a condition will be treated as if they were not.

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**The Chancellor of the Exchequer**

Gov 28

Schedule 10, page 221, line 14, leave out "or" and insert "and"

**Member's explanatory statement**

This amendment corrects a minor error (incorrect conjunction).

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**The Chancellor of the Exchequer**

Gov 29

Schedule 10, page 222, line 38, leave out paragraphs (b) and (c)

**Member's explanatory statement**

This amendment removes the possibility of designating foreign income and gains that are subject to section 279 of TCGA 1992 (delayed remittances) or section 842 of ITTOIA 2005 (unremittable income).

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**The Chancellor of the Exchequer**

Gov 30

Schedule 10, page 223, line 11, after "87" insert "and 89 TCGA 1992"

**Member's explanatory statement**

This amendment is consequential on Amendment 31.

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**The Chancellor of the Exchequer**

Gov 31

Schedule 10, page 223, line 12, leave out paragraph 3 and insert—

- "3 (1) This paragraph applies for the tax year 2025-26, 2026-27 or 2027-28 in relation to an individual if—
- (a) chargeable gains are treated as accruing to the individual in that tax year as a result of section 87(2) or 89(2) of TCGA 1992 in relation to a capital payment from the trustees of a settlement for which the individual is a beneficiary, and
  - (b) the settlement has a section 1(3) amount that is greater than nil for one or more tax years before 2025-26.
- (2) So much of the payment as is matched with section 1(3) amounts for tax years before 2025-26 is qualifying overseas capital.
- (3) For the purposes of matching those amounts, apply section 87A of TCGA 1992 as if—

- (a) the section 1(3) amount for each tax year after the tax year 2024-25 were nil, and
  - (b) the reference in Step 2 in subsection (2) of section 87A of that Act to the total amount of capital payments received by the beneficiaries were to the total amount of capital payments—
    - (i) received by the individual and other beneficiaries that are qualifying individuals for the relevant tax year, and
    - (ii) to which section 87(2) or 89(2) of that Act applies.
- (4) For the purposes of this paragraph, ignore any reduction of a section 1(3) amount for the tax year 2024-25 or an earlier tax year resulting from the application of section 87 or 89(2) of TCGA 1992 in the tax year 2025-26 or any subsequent tax year.
- (5) Sub-paragraph (6) applies where—
  - (a) an amount of a capital payment has been matched with a section 1(3) amount under sub-paragraph (2), and
  - (b) that amount is designated as designated qualifying overseas capital.
- (6) The section 1(3) amount is to be taken to have been reduced (but not below nil) by so much of it as matches with the capital payment for the purposes of any subsequent application of this paragraph.
- (7) This paragraph is not to be taken as affecting the application of section 87A of TCGA 1992 for any purpose other than for the purposes of this paragraph and paragraphs 3A and 4 (and no section 1(3) amounts or capital payments are to be taken to have been reduced as a result of the application of this paragraph for any other purpose).
- (8) For the purposes of this paragraph—
  - (a) “section 1(3) amount” has the meaning it has in section 87 of TCGA 1992, and
  - (b) section 97 of TCGA 1992 (supplementary provisions) applies as it applies for the purposes of sections 86A to 96 of that Act.
- (9) For the purposes of this paragraph, and paragraphs 3A and 4, an individual is a qualifying individual in a tax year if the individual—
  - (a) is UK resident for the purposes of income tax and capital gains tax for that tax year, and
  - (b) was subject to the remittance basis for at least one tax year (being a tax year before the tax year 2025-26).”

**Member's explanatory statement**

This amendment extends the previous paragraph 3 of Schedule 10 (temporary repatriation facility) to migrant settlements and secures that the calculation of qualifying overseas capital works as intended.

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The Chancellor of the Exchequer

Gov 32

Schedule 10, page 223, line 32, at end insert—

*“Capital payments made by settlement: offshore income gains cases*

- 3A (1) This paragraph applies for the tax year 2025-26, 2026-27 or 2027-28 in relation to an individual if—
- (a) chargeable gains are treated as accruing to the individual in that tax year as a result of section 87(2) of TCGA 1992, as it applies in relation to OIG amounts as a result of regulation 20 of the OFT Regulations, in relation to a capital payment from the trustees of a settlement for which the individual is a beneficiary, and
  - (b) the settlement has an OIG amount that is greater than nil for one or more tax years before 2025-26.
- (2) So much of the payment as is matched with OIG amounts for tax years before 2025-26 is qualifying overseas capital.
- (3) For the purposes of matching those amounts, apply section 87A of TCGA 1992 as if—
- (a) the OIG amount for each tax year after the tax year 2024-25 were nil, and
  - (b) the reference in Step 2 in subsection (2) of 87A of that Act to the total amount of capital payments received by the beneficiaries were to the total amount of capital payments—
    - (i) received by the individual and other beneficiaries that are qualifying individuals for the relevant tax year, and
    - (ii) to which section 87(2) of that Act applies in relation to OIG amounts (as a result of regulation 20 of the OFT regulations).
- (4) For the purposes of this paragraph, ignore any reduction of an OIG amount for the tax year 2024-25 or an earlier tax year resulting from the application of section 87 or 89(2) of TCGA 1992 in the tax year 2025-26 or any subsequent tax year.
- (5) Sub-paragraph (6) applies where—
- (a) an amount of a capital payment has been matched with an OIG amount under sub-paragraph (2), and
  - (b) that amount is designated as designated qualifying overseas capital.
- (6) The OIG amount is to be taken to have been reduced (but not below nil) by so much of it as matches with the capital payment for the purposes of any subsequent application of this paragraph.
- (7) This paragraph is not to be taken as affecting the application of section 87A of TCGA 1992 for any purpose other than for the purposes of this paragraph and paragraphs 3 and 4 (and no OIG amount or capital payments are to be taken to have been reduced as a result of the application of this paragraph for any other purpose).
- (8) For the purposes of this paragraph—



- (a) the “OFT Regulations” means the Offshore Funds (Tax) Regulations 2009,
- (b) “OIG amount” is to be construed in accordance with the OFT Regulations, and
- (c) section 97 of TCGA 1992 (supplementary provisions) applies as it applies for the purposes of sections 86A to 96 of that Act.”

#### Member's explanatory statement

This amendment applies the same treatment under paragraph 3 of Schedule 10 (temporary repatriation facility) in relation to offshore income gains (see regulation 20 of the Offshore Funds (Tax) Regulations 2009).

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The Chancellor of the Exchequer

Gov 33

Schedule 10, page 223, line 34, leave out paragraph 4 and insert—

- “4 (1) This paragraph applies for the tax year 2025-26, 2026-27 or 2027-28 in relation to an individual if—
- (a) chargeable gains are treated as accruing to the individual in that tax year as a result of paragraph 8(1) of Schedule 4C to TCGA 1992 in relation to a capital payment from the trustees of a relevant settlement for which the individual is a beneficiary, and
  - (b) the section 1(3) amount in the Schedule 4C pool is greater than nil for one or more tax years before 2025-26.
- (2) So much of the payment as is matched with section 1(3) amounts in the Schedule 4C pool for tax years before 2025-26 is qualifying overseas capital.
- (3) For the purposes of matching those amounts, apply section 87A of TCGA 1992 as if—
- (a) the section 1(3) amount in the Schedule 4C pool for each tax year after the tax year 2024-25 were nil, and
  - (b) the reference in Step 2 in subsection (2) of section 87A of that Act to the total amount of capital payments received by the beneficiaries were to the total amount of capital payments—
    - (i) received by the individual and other beneficiaries that are qualifying individuals for the relevant tax year, and
    - (ii) to which paragraph 8(1) of Schedule 4C to that Act applies in relation to section 1(3) amounts in the Schedule 4C pool.
- (4) For the purposes of this paragraph, ignore any reduction of a section 1(3) amount in the Schedule 4C pool for the tax year 2024-25 or an earlier tax year resulting from the application of paragraph 8(1) of Schedule 4C to TCGA 1992 in the tax year 2025-26 or any subsequent tax year.
- (5) Sub-paragraph (6) applies where—
- (a) an amount of a capital payment has been matched with a section 1(3) amount in the Schedule 4C pool under sub-paragraph (2), and
  - (b) that amount is designated as designated qualifying overseas capital.

- (6) The section 1(3) amount in the Schedule 4C pool is to be taken to have been reduced (but not below nil) by so much of it as matches with the capital payment for the purposes of any subsequent application of this paragraph.
- (7) This paragraph is not to be taken as affecting the application of section 87A of TCGA 1992 for any purpose other than for the purposes of this paragraph and paragraphs 3 and 3A (and no section 1(3) amount in the Schedule 4C pool or capital payments are to be taken to have been reduced as a result of the application of this paragraph for any other purpose).
- (8) For the purposes of this paragraph—
  - (a) “section 1(3) amount in the Schedule 4C pool” and “relevant settlement” are to be construed in accordance with Schedule 4C to TCGA 1992, and
  - (b) section 97 of TCGA 1992 (supplementary provisions) applies as it applies for the purposes of sections 86A to 96 of that Act.”

#### Member's explanatory statement

This amendment replaces paragraph 4 of Schedule 10 (temporary repatriation facility) in order to make it more consistent with paragraph 3 as amended by Amendment 31.

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The Chancellor of the Exchequer

Gov 34

Schedule 10, page 225, line 2, at end insert—

*“Deemed income under section 732 of ITA 2007 where pre-2025 gains available for matching*

5A (1) Sub-paragraph (2) applies where—

- (a) an individual is treated as having an amount of income for any of the tax years 2025-26, 2026-27 or 2027-28 as a result of section 732 of ITA 2007 (individuals receiving a benefit as a result of relevant transactions),
  - (b) the amount of income does not fall within paragraph 5(1)(c), and
  - (c) the benefit by reference to which that income is treated as arising would, if it were not chargeable to income tax, be an amount of qualifying overseas capital of the individual by virtue of paragraph 3 or 4 (capital payments).
- (2) The amount is to be treated as an amount of qualifying overseas capital of the individual.
  - (3) The amount may only be designated in a return for the tax year in which the income was treated as arising to the individual.”

#### Member's explanatory statement

This amendment allows income treated as arising in tax years 2025-26 to 2027-28 under section 732 of ITA 2007 to be matched against pre 2025-26 settlement gains.

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**The Chancellor of the Exchequer**

**Gov 35**

Schedule 10, page 226, line 26, at end insert “and relief”

**Member's explanatory statement**

This amendment is consequential on Amendment 36.

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**The Chancellor of the Exchequer**

**Gov 36**

Schedule 10, page 226, line 29, leave out sub-paragraph (2) and insert—

- “(2) No liability to income tax arises on an amount of income treated as qualifying overseas capital under paragraph 5 if the amount is designated.
- (2A) But such an amount is to be treated for the purposes of section 97(1) of TCGA 1992 (capital payments not to include amounts chargeable to income tax) as if it were chargeable to income tax.
- (2B) No liability to income tax arises on an amount of income treated as qualifying overseas capital under paragraph 5A if the amount is designated.
- (2C) Accordingly the amount—
  - (a) will be a capital payment for the purposes of sections 86A to 96 of, and Schedule 4C to, TCGA 1992 (see section 97(1) of that Act), and
  - (b) will, as a result of paragraph 3 or 4 (or both), be qualifying overseas capital.
- (2D) Any such qualifying overseas capital is to be treated as having been designated by the individual (under that paragraph or those paragraphs), but no liability to the TRF charge is to arise as a result of that deemed designation.
- (2E) Sub-paragraph (2F) applies where—
  - (a) offshore income gains, within the meaning of the Offshore Funds (Tax) Regulations 2009, are treated as accruing to an individual in a tax year under section 87(2) of TCGA 1992 (as applied by regulation 20 of those regulations) as a result of a capital payment made to an individual, and
  - (b) an amount of that capital payment is qualifying overseas capital that has been designated by the individual.
- (2F) The offshore income gains are to be reduced by the amount of that designated qualifying overseas capital.”

**Member's explanatory statement**

This amendment is consequential on amendments 34 and 32.

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The Chancellor of the Exchequer

Gov 37

Schedule 10, page 226, line 32, at end insert—

*“Income tax exemptions: application of transfer of assets abroad rules in future years*

- 8A (1) This paragraph applies where an amount of income that is treated as arising to an individual under section 732 of ITA 2007 (“the deemed income”) is exempt from income tax by virtue of paragraph 8.
- (2) If the deemed income is qualifying overseas capital by virtue of paragraph 5(1)(c), Chapter 2 of Part 13 of ITA 2007 has effect as though the deemed income had been charged to tax under section 731 of that Act.
- (3) Accordingly—
- (a) in the application of section 733(1) of ITA 2007 to the individual for subsequent tax years, the amount of the deemed income will be deducted at Step 2 and at paragraph (a) of Step 5, and
  - (b) in the application of section 733(1) of ITA 2007 to any other individual for subsequent tax years, the amount of the deemed income will be deducted at paragraph (b) of Step 5.
- (4) If the deemed income is qualifying overseas capital by virtue of paragraph 5A, Chapter 2 of Part 13 of ITA 2007 has effect as though the benefit by reference to which the deemed income was treated as arising had never been provided.
- (5) Accordingly, in the application of section 733(1) of ITA 2007 to any individual for subsequent tax years—
- (a) that benefit will not be taken into account at Step 1,
  - (b) no deduction in respect of the deemed income will be made at Step 2 or Step 5, and
  - (c) the total untaxed benefits will not be reduced in respect of that benefit by virtue of section 734 (previous capital gains charge).”

**Member's explanatory statement**

This amendment sets out how the transfer of assets abroad rules will apply for future tax years if deemed income under those rules is exempt from tax under the TRF.

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The Chancellor of the Exchequer

Gov 38

Schedule 10, page 227, line 4, after “87(2)” insert “or 89(2)”

**Member's explanatory statement**

This amendment is consequential on Amendment 31.

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The Chancellor of the Exchequer

Gov 39

Schedule 10, page 227, line 7, after “individual” insert “under paragraph 3”

**Member's explanatory statement**

This amendment is consequential on Amendment 32.

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**The Chancellor of the Exchequer****Gov 40**

Schedule 10, page 227, line 23, leave out "paragraph 3(1)(c)" and insert "paragraph 3(2)"

**Member's explanatory statement**

This amendment is consequential on Amendment 31.

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**The Chancellor of the Exchequer****Gov 41**

Schedule 10, page 227, line 28, leave out "paragraph 3(1)(c)" and insert "paragraph 3(2)"

**Member's explanatory statement**

This amendment is consequential on Amendment 31.

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**The Chancellor of the Exchequer****Gov 42**

Schedule 10, page 227, line 36, after "individual" insert "under paragraph 4"

**Member's explanatory statement**

This amendment is consequential on Amendment 33.

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**The Chancellor of the Exchequer****Gov 43**

Schedule 10, page 228, line 11, leave out "paragraph 4(1)(b)" and insert "paragraph 4(2)"

**Member's explanatory statement**

This amendment is consequential on Amendment 33.

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**The Chancellor of the Exchequer****Gov 44**

Schedule 10, page 228, line 17, leave out "paragraph 4(1)(b)" and insert "paragraph 4(2)"

**Member's explanatory statement**

This amendment is consequential on Amendment 33.

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**The Chancellor of the Exchequer****Gov 45**

Schedule 10, page 228, line 29, leave out from "individual" to end of line 30 and insert "if—"

**Member's explanatory statement**

This amendment and Amendment 46 secure that the temporary relaxation of the nominated income and gains ordering rules does not apply where those rules have previously operated in relation to a taxpayer.

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**The Chancellor of the Exchequer**

**Gov 46**

Schedule 10, page 228, line 31, leave out paragraphs (a) and (b) and insert—

- “(a) the tax year is tax year 2025-26, 2026-27 or 2027-28,
- (b) the individual—
  - (i) makes a designation of qualifying overseas capital for that tax year, or
  - (ii) the individual has made such a designation for a previous tax year, and
- (c) that section has not applied in relation to that individual for the tax year 2024-25 or an earlier tax year.”

**Member's explanatory statement**

This amendment and Amendment 45 secure that the temporary relaxation of the nominated income and gains ordering rules does not apply where those rules have previously operated in relation to a taxpayer.

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**The Chancellor of the Exchequer**

**Gov 47**

Schedule 10, page 234, line 13, leave out “at a relevant time”

**Member's explanatory statement**

This amendment removes some unnecessary words.

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**The Chancellor of the Exchequer**

**Gov 48**

Schedule 10, page 234, line 18, leave out “at a relevant time”

**Member's explanatory statement**

This amendment removes some unnecessary words.

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**The Chancellor of the Exchequer**

**Gov 49**

Schedule 10, page 239, line 37, at end insert—

*“No tax credits for pre 2016-17 dividends etc*

- 16A Sections 397 to 398 of ITTOIA 2005 (which have been repealed and only have effect in relation to distributions made before tax year 2016-17) do not apply in relation to any amount of designated qualifying overseas capital.”

**Member's explanatory statement**

This amendment prevents tax credits being claimed under the dividends etc tax credits regime repealed from tax year 2016-17, where a distribution (made before that tax year) is designated as qualifying overseas capital.

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**The Chancellor of the Exchequer**

Gov 50

Schedule 12, page 253, line 36, at end insert—

- “(2B) For the purposes of subsection (1), if in a tax year—
- (a) income is treated as arising to an individual under section 732(2), and
  - (b) the income is identified as qualifying foreign income on a foreign income claim,
- the income is treated for later tax years as not having been charged to income tax under section 731.
- (2C) It follows from subsection (2B) that—
- (a) in the application of subsection (1) to the individual for subsequent tax years, the amount of the income will be deducted at Step 2 and at paragraph (a) of Step 5, but
  - (b) in the application of subsection (1) to any other individual for subsequent tax years, the amount of the income will not be deducted at paragraph (b) of Step 5.
- (2D) See paragraph 8A of Schedule 10 to FA 2025 (temporary repatriation facility) for special provision about income that is treated as arising under section 732 but that is exempt from income tax under that Schedule.”

**Member's explanatory statement**

This amendment ensures that, if a beneficiary obtains qualifying new resident relief in respect of a tax charge under the transfer of assets abroad rules, the pool of relevant income by reference to which other beneficiaries are taxed is not artificially depleted.

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**The Chancellor of the Exchequer**

Gov 51

Schedule 12, page 260, line 16, leave out paragraph 49

**Member's explanatory statement**

This amendment is consequential on Amendment 37, which makes equivalent (and more detailed) provision in Schedule 10.

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**The Chancellor of the Exchequer**

Gov 52

Schedule 12, page 260, line 31, leave out “(2A)(a), omit “, 87K, 87L”” and insert “(2A), omit paragraph (a)”

**Member's explanatory statement**

This amendment is consequential on paragraph 54 of Schedule 12.

**The Chancellor of the Exchequer****Gov 53**

Schedule 12, page 264, line 7, leave out “(7)(b), omit “, 87K, 87L”” and insert “(7), omit paragraph (b) (but not the “and” after it)”

**Member's explanatory statement**

This amendment is consequential on paragraph 54 of Schedule 12.

**The Chancellor of the Exchequer****Gov 54**

Schedule 12, page 264, line 8, leave out “(6)(c), omit “, 87K, 87L”” and insert “(6)—

- (a) after paragraph (a) insert “and”;
- (b) omit paragraph (c) and the “and” before it.”

**Member's explanatory statement**

This amendment is consequential on paragraph 54 of Schedule 12.

**The Chancellor of the Exchequer****Gov 55**

Schedule 12, page 265, line 27, leave out paragraph 71 and insert—

- “71 (1) The amendments made by paragraphs 1 to 54, 56 to 65 and 68 to 70 have effect for the tax year 2025-26 and subsequent tax years.
- (2) The amendment made by paragraph 55 to section 62 of TCGA 1992 (death: general provisions) has effect in relation to deaths occurring on or after 6 April 2025.
- (3) The amendments made by paragraphs 66 and 67 to sections 279A and 279C of TCGA 1992 (deferred unascertainable consideration: election for treatment of loss) have effect in relation to disposals made on or after 6 April 2025 of rights to which section 279A of that Act applies.”

**Member's explanatory statement**

This amendment brings the commencement provision for Schedule 12 into line with the other income-tax- and capital-gains-tax-related provisions in the Bill about residence and domicile.

**The Chancellor of the Exchequer****Gov 56**

Schedule 13, page 268, line 19, leave out “at all times on and after 30 October 2024 and before the time when” and insert “immediately before”



**Member's explanatory statement**

This amendment relaxes the test for determining whether the exemption for existing excluded property trusts in new section 53(4A) of the Inheritance Tax Act 1984 applies. It provides that the property only needs to be invested offshore (or in an AUT or OEIC) immediately before the person's interest comes to an end (as opposed to at all times after 30 October 2024).

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**The Chancellor of the Exchequer****Gov 57**

Schedule 13, page 269, line 1, leave out "at all times on and after 30 October 2024 and" and insert "immediately"

**Member's explanatory statement**

This amendment relaxes the test for determining whether the exemption for existing excluded property trusts in new section 54(2C) of the Inheritance Tax Act 1984 applies. It provides that the property only needs to be invested offshore (or in an AUT or OEIC) immediately before the person's death (as opposed to at all times after 30 October 2024).

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**The Chancellor of the Exchequer****Gov 58**

Schedule 13, page 275, line 4, at end insert—

**"267ZF Double taxation conventions operating by reference to deemed domicile**

- (1) This section applies to a case in which the application of any arrangements having effect under section 158 (double taxation conventions) depends (to any extent) on whether a person is treated as domiciled in the United Kingdom for the purposes of inheritance tax.
- (2) The person is treated as domiciled in the United Kingdom for the purposes of inheritance tax if they are a long-term UK resident.
- (3) Sections 276ZC to 267ZE (persons treated as long-term resident by virtue of election) are to be disregarded in applying this section in relation to any arrangements that are specified in an Order in Council made under section 158 of IHTA 1984 before 17 July 2013 (other than by way of amendment by an Order made on or after that date).
- (4) Nothing in this section affects the interpretation of any such arrangements as are mentioned in section 158(6) (certain pre-1975 arrangements)."

**Member's explanatory statement**

This amendment provides that, where existing double taxation arrangements operate by reference to whether the UK treats a person as domiciled in the UK for the purposes of inheritance tax, the person is treated as so domiciled if they are a long-term UK resident. It does not affect pre-1975 arrangements and, in relation to pre-2013 arrangements, provides for certain elections to be disregarded.

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**The Chancellor of the Exchequer****Gov 59**

Schedule 13, page 276, line 13, leave out “gift” and insert “disposal and remained settled property at all times after the disposal and before the relevant time”

**Member's explanatory statement**

This amendment clarifies the exemption from the gifts with reservation rules for existing excluded property trusts. It ensures that the exemption only applies where the property has remained in the trust throughout.

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**The Chancellor of the Exchequer****Gov 60**

Schedule 13, page 276, line 17, leave out “at all times on and after 30 October 2024 and” and insert “immediately”

**Member's explanatory statement**

This amendment relaxes the test for determining whether the exemption from the gifts with reservation rules for existing excluded property trusts applies. It provides that the property only needs to be invested offshore (or in an AUT or OEIC) immediately before the relevant time (as opposed to at all times after 30 October 2024).

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**The Chancellor of the Exchequer****Gov 61**

Schedule 13, page 276, line 29, at end insert—

“(7C) In subsection (7A)(c), “for the purposes of the 1984 Act” includes for the purposes only of Chapter 3 of Part 3 of that Act (ten-year anniversary charges etc) because of the operation of section 81 of that Act (property moving between settlements).”

**Member's explanatory statement**

This amendment ensures that the exemption from the gifts with reservation rules for existing excluded property trusts applies to property which was excluded property only under the relevant property rules in the Inheritance Tax Act 1984, because it was treated as comprised in a different settlement from that in which it was in fact comprised.

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**The Chancellor of the Exchequer****Gov 62**

Schedule 13, page 279, line 22, leave out “not been resident in the United Kingdom for any tax year” and insert “been resident in the United Kingdom for no tax year”

**Member's explanatory statement**

This amendment is minor and technical and clarifies an ambiguity.

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**The Chancellor of the Exchequer****Gov 63**

Schedule 13, page 279, line 26, leave out “not resident in the United Kingdom for any” and insert “resident in the United Kingdom for none”

**Member's explanatory statement**

This amendment is minor and technical and clarifies an ambiguity.

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**The Chancellor of the Exchequer****Gov 64**

Schedule 13, page 279, line 28, leave out “not resident in the United Kingdom for more than 14” and insert “resident in the United Kingdom for fewer than 15”

**Member's explanatory statement**

This amendment is minor and technical and clarifies an ambiguity.

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**The Chancellor of the Exchequer****Gov 65**

Schedule 13, page 280, line 12, leave out paragraph (b)

**Member's explanatory statement**

This amendment is consequential on Amendment 58.

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**The Chancellor of the Exchequer****Gov 66**

Schedule 13, page 280, line 19, leave out sub-paragraph (3)

**Member's explanatory statement**

This amendment is consequential on Amendment 58.

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## 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.

<b>Proceedings</b>	<b>Time for conclusion of proceedings</b>
<b>First day</b>	
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.
<b>Second day</b>	
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.