House of Commons

Thursday 9 June 2011

PUBLIC BILL COMMITTEE PROCEEDINGS

FINANCE (No. 3) BILL

(except Clauses 4, 7, 10, 19, 35 and 72)

[THIRTEENTH AND FOURTEENTH SITTINGS]

Clauses 73 to 76 agreed to.

Nic Dakin
Caroline Lucas
Zac Goldsmith
Stella Creasy
Dr Alan Whitehead

Negatived on division **184**

Clause **77**, page **44**, line **5**, at end add—

‘(2) The Schedule shall come into force on a date specified by the Treasury by an order made by Statutory Instrument, which may not be made until an impact assessment of the effect of this Schedule has been laid before the House of Commons; and approved by resolution of the House of Commons; and the dates specified in paragraphs 8(3) and 9(5) of the Schedule shall be replaced by the date specified in the order under this section if it is later.’.

Clause agreed to.

Schedule 20 agreed to.

Clause 78 agreed to.

David Gauke

Not selected **183**

Page **44**, line **32**, leave out Clause 79.

Clause disagreed to.

Clauses 80 to 82 agreed to.

Finance (No. 3) Bill, *continued*

Schedule 21 agreed to.

Clause 83 agreed to.

Schedule 22 agreed to.

Clauses 84 to 86 agreed to.

Schedules 23 and 24 agreed to.

Clause 87 agreed to.

Schedule 25 agreed to.

Clauses 88 to 91 agreed to.

Schedule 26 agreed to.

NEW CLAUSES

Foreign pensions of UK residents

David Gauke

Added **NC4**

To move the following Clause:—

'(1) In Part 2 of TIOPA 2010 (double taxation relief), in Chapter 3 (miscellaneous provisions), after section 130 insert—

"130A Interpreting provision about UK taxation of pensions etc

(1) Subsection (3) applies if double taxation arrangements make the provision, however expressed, mentioned in subsection (2).

(2) The provision is that pensions and other similar remuneration which—

(a) arise outside the United Kingdom, and

(b) are paid to persons who are resident in the United Kingdom,

are not to be subject to United Kingdom tax.

(3) That provision does not prevent a pension or other similar remuneration of a person resident in the United Kingdom being chargeable to income tax if—

(a) the pension or other similar remuneration is paid out of sums or assets that were the subject of a relevant transfer or related sums or assets, and

(b) the relevant transfer or any transaction forming part of that transfer was, or formed part of, a tax avoidance scheme.

(4) But nothing in subsection (3) prevents credit being allowed under Chapter 2 of this Part (double taxation relief by way of credit) against any tax so charged.

(5) In determining whether a pension or other similar remuneration is paid out of sums or assets within subsection (3)(a), it is to be assumed that it is paid out of such sums or assets in priority to any other sums or assets.

(6) A “relevant transfer”, in respect of any sums or assets, is a transaction or series of transactions as a result of which—

(a) the sums or assets are transferred out of a pension scheme, and

(b) the sums or assets or related sums or assets (or both) are transferred into the pension scheme under which the pension or other similar remuneration is paid.

(7) A scheme is a “tax avoidance scheme” if the main purpose, or one of the main purposes, of any party to the scheme in entering into the scheme is to secure an income tax advantage for any person under this Part by virtue of provision mentioned in subsection (2) made by double taxation arrangements.

(8) For the purposes of subsection (7)—

(a) “scheme” includes any scheme, arrangements or understanding of any kind whatever, whether or not legally enforceable, involving a single transaction or two or more transactions,

(b) it does not matter whether or not the double taxation arrangements were in existence at the time the tax avoidance scheme was entered into or given effect to, and

(c) “income tax advantage” is to be construed in accordance with section 572A(3) to (5) of ITA 2007.

(9) In this section—

“pension” and “other similar remuneration” have the same meaning as in the Model Tax Convention on Income and on Capital published (from time to time) by the Organisation for Economic Cooperation and Development;

“pension scheme” has the same meaning as in Part 4 of FA 2004 (see section 150 of that Act);

“related sums or assets”, in relation to other sums or assets (“the original sums or assets”), means sums or assets which arise, or (directly or indirectly) derive, from the original sums or assets or from sums or assets which so arise or derive.”

(2) The amendment made by this section has effect in relation to the tax year 2011-12 and subsequent tax years (and it does not matter whether the tax avoidance scheme was entered into or effected before, or on or after, 6 April 2011).’.

Private finance initiative income

Caroline Lucas

Not selected **NC1**

To move the following Clause:—

‘The Treasury shall, within six months of the passing of this Act, report to Parliament its assessment of the amount of tax revenue forgone by companies receiving payments under Private Finance Initiative contracts being based outside the United Kingdom.'.

VAT and charitable healthcare providers

Nic Dakin

Withdrawn **NC2**

To move the following Clause:—

'The Treasury shall, within one year of the passing of this Act, lay a report before Parliament on the treatment for Value Added Tax of supplies by charities to bodies exercising functions on behalf of a Minister of the Crown of healthcare or welfare services or associated goods'.

Review of the bank levy

Stella Creasy
David Miliband
Mrs Jenny Chapman
Steve Rotheram
Mr Graham Allen
Alex Cunningham

Hugh Bayley Nic Dakin Mr John Leech

Withdrawn **NC3**

To move the following Clause:—

'(1) The Government shall lay before Parliament a review of the bank levy which will consider whether the levy should be applied to groups judged by the Financial Services Authority (or its successor body) to have engaged in high cost credit lending which is detrimental to consumers. This review shall consider the following matters—

(a) the impact such an application could have on the provision of high cost credit to consumers;

(b) the timetable for imposition of the banking levy to prevent further consumer detriment in the provision of high cost credit;

(c) the consequences of a failure by Government to intervene in the high cost credit market for UK consumers; and

(d) at what level the levy should be set at for such bodies so as to discourage lending in a manner which is detrimental to consumers.'.

Clauses 92 and 93 agreed to.

Bill, as amended, to be reported.