House of Commons

Resolutions to be moved by the Chancellor of the Exchequer

Wednesday 8 March 2017

These Motions are to be moved at the conclusion of the Budget Debate, after the decision on Motion No. 1 (Amendment of the Law) which is currently before the House. They will be decided without debate (Standing Order No. 51(3)).

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2. Income tax (charge)

That income tax is charged for the tax year 2017-18.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

3. Income tax (main rates)

That for the tax year 2017-18 the main rates of income tax are as follows—

(a) the basic rate is 20%;
(b) the higher rate is 40%;
(c) the additional rate is 45%.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

4. Income tax (default and savings rates)

That—

(1) For the tax year 2017-18 the default rates of income tax are as follows—
  (a) the default basic rate is 20%;
  (b) the default higher rate is 40%;
  (c) the default additional rate is 45%.

(2) For the tax year 2017-18 the savings rates of income tax are as follows—
  (a) the savings basic rate is 20%;
  (b) the savings higher rate is 40%;
  (c) the savings additional rate is 45%.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

5. Income tax (savings rate limit)

That—

(3) For the amount specified in section 12(3) of the Income Tax Act 2007 (starting rate for savings) substitute "£5000".

(4) The amendment made by this Resolution has effect for the tax year 2017-18 and subsequent tax years.

(5) Section 21 of the Income Tax Act 2007 (indexation), so far as relating to the starting rate limit for savings, does not apply in relation to the tax year 2017-18 (but this Resolution does not override that section for subsequent tax years).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

6. Corporation tax (charge for financial year 2018)

That corporation tax is charged for the financial year 2018.

7. Public sector off-payroll workers

That—

(1) The Income Tax (Earnings and Pensions) Act 2003 is amended as follows.

(2) In section 7(5)(a) (amounts treated as earnings by Chapters 7 to 9 of Part 2 are "employment income" and "general earnings"), for "9" substitute "10".

(3) In section 48 (scope of Chapter 8 of Part 2: workers' services provided through intermediaries)—

(a) in subsection (1), after "through an intermediary" insert ", but not where the services are provided to a public authority", and

(b) after subsection (2) insert—

"(3) In this Chapter "public authority" has the same meaning as in Chapter 10 of this Part (see section 61L)."

(4) In section 49 (engagements to which Chapter 8 of Part 2 applies)—

(a) in subsection (1), after paragraph (a) insert—

"(aa) the client is not a public authority,", and

(b) after subsection (4) insert—

"(4A) Holding office as statutory auditor of the client does not count as holding office under the client for the purposes of subsection (1)(c), and here "statutory auditor" means a statutory auditor within the meaning of Part 42 of the Companies Act 2006 (see section 1210 of that Act)."

(5) In section 52(2)(b) and (c) (conditions of liability under Chapter 8 where intermediary is a partnership), for "this Chapter" substitute "one or other of this Chapter and Chapter 10".

(6) In section 61(1) (interpretation of Chapter 8), before the definition of "engagement to which this Chapter applies" insert—

""engagement to which Chapter 10 applies" has the meaning given by section 61M(5);".

(7) In section 61A (scope of Chapter 9 of Part 2: workers' services provided by managed service companies), after subsection (2) insert—

"(3) See also section 61D(4A) (disapplication of this Chapter if Chapter 10 applies)."

(8) In section 61D (deemed earnings where worker's services provided by managed service company), after subsection (4) insert—

"(4A) This section does not apply where the provision of the relevant services gives rise (directly or indirectly) to an engagement to which Chapter 10 applies, and for this purpose it does not matter whether the client is also "the client" for the purposes of section 61M(1)."

(9) In section 61J(1) (interpretation of Chapter 9), before the definition of "managed service company" insert—

""engagement to which Chapter 10 applies" has the meaning given by section 61M(5),".

(10) In Part 2 (employment income: charge to tax), after Chapter 9 insert—

"CHAPTER 10

WORKERS' SERVICES PROVIDED TO PUBLIC SECTOR THROUGH INTERMEDIARIES

61K Scope of this Chapter

(1) This Chapter has effect with respect to the provision of services to a public authority through an intermediary.

(2) Nothing in this Chapter—

(a) affects the operation of Chapter 7 of this Part (agency workers), or

(b) applies to payments or transfers to which section 966(3) or (4) of ITA 2007 applies (visiting performers: duty to deduct and account for sums representing income tax).

61L Meaning of "public authority"

(1) In this Chapter "public authority" means—

(a) a public authority as defined by the Freedom of Information Act 2000,

(b) a Scottish public authority as defined by the Freedom of Information (Scotland) Act 2002 (asp 13),

(c) the Corporate Officer of the House of Commons,

(d) the Corporate Officer of the House of Lords,

(e) the National Assembly for Wales Commission, or

(f) the Northern Ireland Assembly Commission.

(2) An authority within paragraph (a) or (b) of subsection (1) is a public authority for the purposes of this Chapter in relation to all its activities even if provisions of the Act mentioned in that paragraph do not apply to all information held by the authority.

61M Engagements to which Chapter applies

(1) Sections 61N to 61R apply where—

(a) an individual ("the worker") personally performs, or is under an obligation personally to perform, services for another person ("the client"),

(b) the client is a public authority,

(c) the services are provided not under a contract directly between the client and the worker but under arrangements involving a third party ("the intermediary"), and

(d) the circumstances are such that—

(i) if the services were provided under a contract directly between the client and the worker, the worker would be regarded for income tax purposes as an employee of the client or the holder of an office under the client, or

(ii) the worker is an office-holder who holds that office under the client and the services relate to the office.

(2) The reference in subsection (1)(c) to a "third party" includes a partnership or unincorporated association of which the worker is a member.

(3) The circumstances referred to in subsection (1)(d) include the terms on which the services are provided, having regard to the terms of the contracts forming part of the arrangements under which the services are provided.

(4) Holding office as statutory auditor of the client does not count as holding office under the client for the purposes of subsection (1)(d), and here "statutory auditor" means a statutory auditor within the meaning of Part 42 of the Companies Act 2006 (see section 1210 of that Act).

(5) In this Chapter "engagement to which this Chapter applies" means any such provision of services as is mentioned in subsection (1).

61N Worker treated as receiving earnings from employment

(1) If one of Conditions A to C is met, identify the chain of two or more persons where—

(a) the highest person in the chain is the client,

(b) the lowest person in the chain is the intermediary, and

(c) each person in the chain above the lowest makes a chain payment to the person immediately below them in the chain.

(See section 61U for cases where one of Conditions A to C is treated as being met.)

(2) In this section and sections 61O to 61S—

"chain payment" means a payment, or money's worth or any other benefit, that can reasonably be taken to be for the worker's services to the client,

"make"—

(a) in relation to a chain payment that is money's worth, means transfer, and

(b) in relation to a chain payment that is a benefit other than a payment or money's worth, means provide, and

"the fee-payer" means the person in the chain immediately above the lowest.

(3) The fee-payer is treated as making to the worker, and the worker is treated as receiving, a payment which is to be treated as earnings from an employment ("the deemed direct payment"), but this is subject to subsections (5) to (7) and sections 61T and 61V.

(4) The deemed direct payment is treated as made at the same time as the chain payment made by the fee-payer.

(5) Subsections (6) and (7) apply, subject to sections 61T and 61V, if the fee-payer—

(a) is not the client, and

(b) is not a qualifying person.

(6) If there is no person in the chain below the highest and above the lowest who is a qualifying person, subsections (3) and (4) have effect as if for any reference to the fee-payer there were substituted a reference to the client.

(7) Otherwise, subsections (3) and (4) have effect as if for any reference to the fee-payer there were substituted a reference to the person in the chain who—

(a) is above the lowest,

(b) is a qualifying person, and

(c) is lower in the chain than any other person in the chain who—

(i) is above the lowest, and

(ii) is a qualifying person.

(8) In subsections (5) to (7) a "qualifying person" is a person who—

(a) is resident in the United Kingdom or has a place of business in the United Kingdom,

(b) is not a person who is controlled by—

(i) the worker, alone or with one or more associates of the worker, or

(ii) an associate of the worker, with or without other associates of the worker, and

(c) if a company, is not one in which—

(i) the worker, alone or with one or more associates of the worker, or

(ii) an associate of the worker, with or without other associates of the worker,

has a material interest (within the meaning given by section 51(4) and (5)).

(9) Condition A is that—

(a) the intermediary is a company, and

(b) the conditions in section 61O are met in relation to the intermediary.

(10) Condition B is that—

(a) the intermediary is a partnership,

(b) the worker is a member of the partnership,

(c) the provision of the services is by the worker as a member of the partnership, and

(d) the condition in section 61P is met in relation to the intermediary.

(11) Condition C is that the intermediary is an individual.

(12) Where a payment, money's worth or any other benefit can reasonably be taken to be for both—

(a) the worker's services to the client, and

(b) anything else,

then, for the purposes of this Chapter, so much of it as can, on a just and reasonable apportionment, be taken to be for the worker's services is to be treated as (and the rest is to be treated as not being) a payment, or money's worth or another benefit, that can reasonably be taken to be for the worker's services.

61O Conditions where intermediary is a company

(1) The conditions mentioned in section 61N(9)(b) are that—

(a) the intermediary is not an associated company of the client that falls within subsection (2), and

(b) the worker has a material interest in the intermediary.

(2) An associated company of the client falls within this subsection if it is such a company by reason of the intermediary and the client being under the control—

(a) of the worker, or

(b) of the worker and other persons.

(3) The worker is treated as having a material interest in the intermediary if—

(a) the worker, alone or with one or more associates of the worker, or

(b) an associate of the worker, with or without other associates of the worker,

has a material interest in the intermediary.

(4) For this purpose "material interest" has the meaning given by section 51(4) and (5).

(5) In this section "associated company" has the meaning given by section 449 of CTA 2010.

61P Conditions where intermediary is a partnership

(1) The condition mentioned in section 61N(10)(d) is—

(a) that the worker, alone or with one or more relatives, is entitled to 60% or more of the profits of the partnership, or

(b) that most of the profits of the partnership derive from the provision of services under engagements to which one or other of this Chapter and Chapter 8 applies—

(i) to a single client, or

(ii) to a single client together with associates of that client, or

(c) that under the profit sharing arrangements the income of any of the partners is based on the amount of income generated by that partner by the provision of services under engagements to which one or other of this Chapter and Chapter 8 applies.

(2) In subsection (1)(a) "relative" means spouse or civil partner, parent or child or remoter relation in the direct line, or brother or sister.

(3) Section 61(4) and (5) apply for the purposes of this section as they apply for the purposes of Chapter 8.

61Q Calculation of deemed direct payment

(1) The amount of the deemed direct payment is the amount resulting from the following steps—

Step 1

Identify the amount or value of the chain payment made by the person who is treated as making the deemed direct payment, and deduct from that amount so much of it (if any) as is in respect of value added tax.

Step 2

Deduct, from the amount resulting from Step 1, so much of that amount as represents the direct cost to the intermediary of materials used, or to be used, in the performance of the services.

Step 3

Deduct, at the option of the person treated as making the deemed direct payment, from the amount resulting from Step 2, so much of that amount as represents expenses met by the intermediary that would have been deductible from the taxable earnings from the employment if—

(a) the worker had been employed by the client, and

(b) the expenses had been met by the worker out of those earnings.

Step 4

If the amount resulting from the preceding Steps is nil or negative, there is no deemed direct payment. Otherwise, that amount is the amount of the deemed direct payment.

(2) For the purposes of Step 1 of subsection (1), any part of the amount or value of the chain payment which is employment income of the worker by virtue of section 863G(4) of ITTOIA 2005 (salaried members of limited liability partnerships: anti-avoidance) is to be ignored.

(3) In subsection (1), the reference to the amount or value of the chain payment means the amount or value of that payment before the deduction (if any) permitted under section 61S.

(4) If the actual amount or value of the chain payment mentioned in Step 1 of subsection (1) is such that its recipient bears the cost of amounts due under PAYE regulations or contributions regulations in respect of the deemed direct payment, that Step applies as if the amount or value of that chain payment were what it would be if the burden of that cost were not being passed on through the setting of the level of the payment.

(5) In Step 3 of subsection (1), the reference to expenses met by the intermediary includes—

(a) expenses met by the worker and reimbursed by the intermediary, and

(b) where the intermediary is a partnership and the worker is a member of the partnership, expenses met by the worker for and on behalf of the partnership.

(6) In subsection (4) "contributions regulations" means regulations under the Contributions and Benefits Act providing for primary Class 1 contributions to be paid in a similar manner to income tax in relation to which PAYE regulations have effect (see, in particular, paragraph 6(1) of Schedule 1 to the Act); and here "primary Class 1 contribution" means a primary Class 1 contribution within the meaning of Part 1 of the Contributions and Benefits Act.

61R Application of Income Tax Acts in relation to deemed employment

(1) The Income Tax Acts (in particular, Part 11 and PAYE regulations) apply in relation to the deemed direct payment as follows.

(2) They apply as if—
  (a) the worker were employed by the person treated as making the deemed direct payment, and
  (b) the services were performed, or to be performed, by the worker in the course of performing the duties of that employment.

(3) The deemed direct payment is treated in particular—
  (a) as taxable earnings from the employment for the purpose of securing that any deductions under Chapters 2 to 6 of Part 5 do not exceed the deemed direct payment, and
  (b) as taxable earnings from the employment for the purposes of section 232.

(4) The worker is not chargeable to tax in respect of the deemed direct payment if, or to the extent that, by reason of any combination of the factors mentioned in subsection (5), the worker would not be chargeable to tax if—
  (a) the client employed the worker,
  (b) the worker performed the services in the course of that employment, and
  (c) the deemed direct payment were a payment by the client of earnings from that employment.

(5) The factors are—
  (a) the worker being resident or domiciled outside the United Kingdom or meeting the requirement of section 26A,
  (b) the client being resident outside, or not resident in, the United Kingdom, and
  (c) the services being provided outside the United Kingdom.

(6) Where the intermediary is a partnership or unincorporated association, the deemed direct payment is treated as received by the worker in the worker's personal capacity and not as income of the partnership or association.

(7) Where—
  (a) the client is the person treated as making the deemed direct payment,
  (b) the worker is resident in the United Kingdom,
  (c) the services are provided in the United Kingdom,
  (d) the client is not resident in the United Kingdom, and

(e) the client does not have a place of business in the United Kingdom,

the client is treated as resident in the United Kingdom.

61S Deductions from chain payments

(1) This section applies if, as a result of section 61R, a person who is treated as making a deemed direct payment is required under PAYE Regulations to pay an amount to the Commissioners for Her Majesty's Revenue and Customs (the Commissioners) in respect of the payment.

(But see subsection (4)).

(2) The person may deduct from the underlying chain payment an amount which is equal to the amount payable to the Commissioners, but where the amount or value of the underlying chain payment is treated by section 61Q(4) as increased by the cost of any amount due under PAYE Regulations, the amount that may be deducted is limited to the difference (if any) between the amount payable to the Commissioners and the amount of that increase.

(3) Where a person in the chain other than the intermediary receives a chain payment from which an amount has been deducted in reliance on subsection (2) or this subsection, that person may deduct the same amount from the chain payment made by them.

(4) This section does not apply in a case to which 61V(2) applies (services-provider treated as making deemed direct payment).

(5) In subsection (2) "the underlying chain payment" means the chain payment whose amount is used at Step 1 of section 61Q(1) as the starting point for calculating the amount of the deemed direct payment.

61T Information to be provided by clients and consequences of failure

(1) If the conditions in section 61M(1)(a) to (1)(c) are met in any case, and a person as part of the arrangements mentioned in section 61M(1)(c) enters into a contract with the client, the client must inform that person (in the contract or otherwise) of which one of the following is applicable—

(a) the client has concluded that the condition in section 61M(1)(d) is met in the case;

(b) the client has concluded that the condition in section 61M(1)(d) is not met in the case.

(2) If the contract is entered into on or after 6 April 2017, the duty under subsection (1) must be complied with—

(a) on or before the time of entry into the contract, or

(b) if the services begin to be performed at a later time, before that later time.

(3) If the contract is entered into before 6 April 2017, the duty under subsection (1) must be complied with on or before the date of the first payment made under the contract on or after 6 April 2017.

(4) If the information which subsection (1) requires the client to give to a person has been given (whether in the contract, as required by subsection (2) or (3) or otherwise), the client must, on a written request by the person, provide the person with a written response to any

questions raised by the person about the client's reasons for reaching the conclusion identified in the information.

(5) A response required by subsection (4) must be provided before the end of 31 days beginning with the day the request for it is received by the client.

(6) If—

(a) the client fails to comply with the duty under subsection (1) within the time allowed by subsection (2) or (3),

(b) the client fails to provide a response required by subsection (4) within the time allowed by subsection (5), or

(c) the client complies with the duty under subsection (1) but fails to take reasonable care in coming to its conclusion as to whether the condition in section 61M(1)(d) is met in the case,

section 61N(3) and (4) have effect in the case as if for any reference to the fee-payer there were substituted a reference to the client, but this is subject to section 61V.

61U Information to be provided by worker and consequences of failure

(1) In the case of an engagement to which this Chapter applies, the worker must inform the potential deemed employer of which one of the following is applicable—

(a) that one of conditions A to C in section 61N is met in the case,

(b) that none of conditions A to C in section 61N is met in the case.

(2) If the worker has not complied with subsection (1), then for the purposes of section 61N(1), one of conditions A to C in section 61N is to be treated as met.

(3) In this section, "the potential deemed employer" is the person who, if one of conditions A to C in section 61N were met, would be treated as making a deemed direct payment to the worker under section 61N(3).

61V Consequences of providing fraudulent information

(1) Subsection (2) applies if in any case—

(a) a person ("the deemed employer") would, but for this section, be treated by section 61N(3) as making a payment to another person ("the services-provider"), and

(b) the fraudulent documentation condition is met.

(2) Section 61N(3) has effect in the case as if the reference to the fee-payer were a reference to the services-provider, but—

(a) section 61N(4) continues to have effect as if the reference to the fee-payer were a reference to the deemed employer, and

(b) Step 1 of section 61Q(1) continues to have effect as referring to the chain payment made by the deemed employer.

(3) Subsection (2) has effect even though that involves the services-provider being treated as both employer and employee in relation to the deemed employment under section 61N(3).

(4) "The fraudulent documentation condition" is that a relevant person provided any person with a fraudulent document intended to constitute evidence—

(a) that the case is not an engagement to which this Chapter applies, or

(b) that none of conditions A to C in section 61N is met in the case.

(5) A "relevant person" is—

(a) the services-provider;

(b) a person connected with the services-provider;

(c) if the intermediary in the case is a company, an office-holder in that company.

61W Prevention of double charge to tax and allowance of certain deductions

(1) Subsection (2) applies where—

(a) a person ("the payee") receives a payment or benefit ("the end-of-line remuneration") from another person ("the paying intermediary"),

(b) the end-of-line remuneration can reasonably be taken to represent remuneration for services of the payee to a public authority,

(c) a payment ("the deemed payment") has been treated by section 61N(3) as made to the payee,

(d) the underlying chain payment can reasonably be taken to be for the same services of the payee to that public authority, and

(e) the recipient of the underlying chain payment has (whether by deduction from that payment or otherwise) borne the cost of any amounts due, under PAYE regulations and contributions regulations in respect of the deemed payment, from the person treated by section 61N(3) as making the deemed payment.

(2) For income tax purposes, the paying intermediary and the payee may treat the amount of the end-of-line remuneration as reduced (but not below nil) by any one or more of the following—

(a) the amount (see section 61Q) of the deemed payment;

(b) the amount of any capital allowances in respect of expenditure incurred by the paying intermediary that could have been deducted from employment income under section 262 of CAA 2001 if the payee had been employed by the public authority and had incurred the expenditure;

(c) the amount of any contributions made, in the same tax year as the end-of-line payment, for the benefit of the payee by the paying intermediary to a registered pension scheme that if made by an employer for the benefit of an employee would not be chargeable to income tax as income of the employee.

(3) Subsection (2)(c) does not apply to—

(a) excess contributions paid and later repaid,

(b) contributions set under subsection (2) against another payment by the paying intermediary, or

(c) contributions deductible at Step 5 of section 54(1) in calculating the amount of the payment (if any) treated by section 50 as made

in the tax year concerned by the paying intermediary to the payee.

(4) For the purposes of subsection (3)(c), the contributions to which Step 5 of section 54(1) applies in the case of the particular calculation are "deductible" at that Step so far as their amount does not exceed the result after Step 4 in that calculation.

(5) In subsection (1)(d) "the underlying chain payment" means the chain payment whose amount is used at Step 1 of section 61Q(1) as the starting point for calculating the amount of the deemed payment.

(6) Subsection (2) applies whether the end-of-line remuneration—

(a) is earnings of the payee,

(b) is a distribution of the paying intermediary, or

(c) takes some other form.

61X Interpretation

In this Chapter—

"associate" has the meaning given by section 60;

"company" means a body corporate or unincorporated association, and does not include a partnership;

"engagement to which Chapter 8 applies" has the meaning given by section 49(5)."

(11) In section 339A (travel for employment involving intermediaries), after subsection (6) insert—

"(6A) Subsection (3) does not apply in relation to an engagement if—

(a) sections 61N to 61R in Chapter 10 of Part 2 apply in relation to the engagement,

(b) one of Conditions A to C in section 61N is met in relation to the employment intermediary, and

(c) the employment intermediary is not a managed service company.

(6B) This section does not apply in relation to an engagement if—

(a) sections 61N to 61R in Chapter 10 of Part 2 do not apply in relation to the engagement because the circumstances in section 61M(1)(d) are not met,

(b) assuming those circumstances were met, one of Conditions A to C in section 61N would be met in relation to the employment intermediary, and

(c) the employment intermediary is not a managed service company.

(6C) In determining for the purposes of subsection (6A) or (6B) whether one of Conditions A to C in section 61N is or would be met in relation to the employment intermediary, read references to the intermediary as references to the employment intermediary."

(12) The amendments made by paragraphs 2 to 9 and 11 of this Resolution have effect for the tax year 2017-18 and subsequent tax years.

(13) The amendment made by paragraph 10 of this Resolution has effect in relation to deemed direct payments treated as made on or after 6 April 2017, and does so even if relating to services provided before that date.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

8. Optional remuneration arrangements

That—

(1) In Part 3 of the Income Tax (Earnings and Pensions) Act 2003 (employment income: earnings and benefits etc treated as earnings), in Chapter 2 (taxable benefits: the benefits code), after section 69 insert—

"69A Optional remuneration arrangements

(1) Subsections (2) to (7) have effect for the purposes of the benefits code.

(2) A benefit provided for an employee is provided under "optional remuneration arrangements" so far as it is provided under arrangements of type A or B (regardless of whether those arrangements are made before or after the beginning of the person's employment).

(3) "Type A arrangements" are arrangements under which, in return for the benefit, the employee gives up the right (or a future right) to receive an amount of earnings within Chapter 1 of Part 3.

(4) "Type B arrangements" are arrangements (other than type A arrangements) under which the employee agrees to be provided with the benefit rather than an amount of earnings within Chapter 1 of Part 3.

(5) A benefit provided for an employee is to be regarded as provided under optional remuneration arrangements (whether of type A or type B) so far as it is just and reasonable to attribute the provision of the benefit to the arrangements in question.

(6) Where a benefit is provided for an employee under any arrangements, the mere fact that under the arrangements the employee makes good, or is required to make good, any part of the cost of provision is not to be taken to show that the benefit is (to any extent) provided otherwise than under optional remuneration arrangements.

(7) Where a benefit is provided for an employee partly under optional remuneration arrangements and partly otherwise than under such arrangements, the benefits code is to apply with any modifications (including provision for just and reasonable apportionments) that may be required for ensuring that the benefit is treated—

(a) in accordance with the relevant provision in the column 2 of the table so far as it is provided under optional remuneration arrangements, and

(b) in accordance with the relevant provision in column 1 of the table so far as it is provided otherwise than under such arrangements.

Column 1	*Column 2*
Section	*Section*
81(1)	81(1A)(b)
87(1)	87A(1)(a)
94(1)	94A(1)(a)
102(1A)	102(1B)(b)
120(1)	120A(1)(a)
149(1)	149A(2)(a)
154(1)	154A(1)(a)
160(1)	160A(2)(a)
175(1)	175(1A)(b)
203(1)	203A(1)(a)

69B Optional remuneration arrangements: supplementary

(1) For the purposes of the benefits code "the amount foregone"—

(a) in relation to a benefit provided for an employee under type A arrangements means the amount of earnings mentioned in section 69A(3);

(b) in relation to a benefit provided for an employee under type B arrangements means the amount of earnings mentioned in section 69A(4);

(c) in relation to a benefit provided for an employee partly under type A arrangements and partly under type B arrangements, means the sum of the amounts foregone under the arrangements of each type.

(2) Subsection (3) applies where, in order to determine the amount foregone with respect to a particular benefit mentioned in section 69A(3) or (4), it is necessary to apportion an amount of earnings to the benefit.

(3) The apportionment is to be made on a just and reasonable basis.

(4) In this section and section 69A references to a benefit provided for an employee include a benefit provided for a member of an employee's family or household.

(5) In this section and section 69A—

"benefit" includes any benefit or facility, regardless of its form and the manner of providing it;

"earnings" means earnings within Chapter 1 of Part 3 (and includes a reference to amounts which would have been such earnings if the employee had received them)."

(2) Part 3 of the Income Tax (Earnings and Pensions) Act 2003 (employment income: earnings and benefits in kind etc treated as earnings) is amended as follows.

(3) Section 81 (benefit of cash voucher treated as earnings) is amended as follows.

(4) After subsection (1) insert—

"(1A) Where a cash voucher to which this Chapter applies is provided pursuant to optional remuneration arrangements—

(a) subsection (1) does not apply, and

(b) the relevant amount is to be treated as earnings from the employment for the tax year in which the voucher is received by the employee.

(1B) In this section "the relevant amount" means—

(a) the cash equivalent, or

(b) if greater, the amount foregone with respect to the benefit of the voucher (see section 69B)."

(5) At the end insert—

"(3) For the purposes of subsection (1B), assume that the cash equivalent is zero if the condition in subsection (4) is met.

(4) The condition is that the benefit of the voucher would be exempt from income tax but for section 228A (exclusion of certain exemptions)."

(6) After section 87 insert—

"87A Benefit of non-cash voucher treated as earnings: optional remuneration arrangements

(1) Where a non-cash voucher to which this Chapter applies is provided pursuant to optional remuneration arrangements—

(a) the relevant amount is to be treated as earnings from the employment for the tax year in which the voucher is received by the employee, and

(b) section 87(1) does not apply.

(2) To find the relevant amount, first determine which (if any) is the greater of—

(a) the cost of provision (see section 87(3)), and

(b) the amount foregone with respect to the benefit of the voucher (see section 69B).

(3) If the cost of provision is greater than or equal to the amount foregone, the "relevant amount" is the cash equivalent of the benefit of the non-cash voucher (see section 87(2)).

(4) Otherwise, the "relevant amount" is the difference between—

(a) the amount foregone, and

(b) any part of the cost of provision that is made good by the employee, to the person incurring it, on or before 6 July following the relevant tax year.

(5) If the voucher is a non-cash voucher other than a cheque voucher, the relevant tax year is—

(a) the tax year in which the cost of provision is incurred, or

(b) if later, the tax year in which the employee receives the voucher.

(6) If the voucher is a cheque voucher, the relevant tax year is the tax year in which the voucher is handed over in exchange for money, goods or services.

(7) For the purposes of subsections (2) and (3), assume that the cost of provision is zero if the condition in subsection (8) is met.

(8) The condition is that the non-cash voucher would be exempt from income tax but for section 228A (exclusion of certain exemptions)."

(7) In section 88 (year in which earnings treated as received)—

(a) in subsection (1), after "87" insert "or 87A";

(b) in subsection (2), after "87" insert "or 87A."

(8) After section 94 insert—

"94A Benefit of credit-token treated as earnings: optional remuneration arrangements

(1) If the conditions in subsections (2) and (3) are met in relation to any occasions on which a credit-token to which this Chapter applies is used by the employee in a tax year to obtain money, goods or services—

(a) the relevant amount is to be treated as earnings from the employment for that year, and

(b) section 94(1) does not apply in relation to the use of the credit-token on those occasions.

(2) The condition in this subsection is that the credit-token is used pursuant to optional remuneration arrangements.

(3) The condition in this subsection is that AF is greater than the relevant cost of provision for the tax year.

In this section "AF" means so much of the amount foregone (see section 69B) as is attributable on a just and reasonable basis to the use of the credit-token by the employee in the tax year pursuant to the optional remuneration arrangements to obtain money, goods or services.

(4) The "relevant amount" is the difference between—

(a) AF, and

(b) any part of the relevant cost of provision for the tax year that is made good by the employee, to the person incurring it, on or before 6 July following the tax year which contains the occasion of use of the credit-token to which the making good relates.

(5) But the relevant amount is taken to be zero if the amount given by paragraph (b) of subsection (4) exceeds AF.

(6) For the purposes of this section the "relevant cost of provision for the tax year" is determined as follows—

Step 1

Find the cost of provision with respect to each occasion of use of the credit-token by the employee in the tax year pursuant to the optional remuneration arrangements to obtain money, goods or services.

Step 2

The total of those amounts is the relevant cost of provision for the tax year.

(7) But the relevant cost of provision for the tax year is to be taken to be zero if the condition in subsection (8) is met.

(8) The condition is that use of the credit token by the employee in the tax year pursuant to the optional remuneration arrangements to obtain money, goods or services would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(9) In this section "cost of provision" has the same meaning as in section 94."

(9) In section 97 (living accommodation to which Chapter 5 applies), in subsection (1A)(b), for "the cash equivalent of" substitute "an amount in respect of".

(10) In section 98 (accommodation provided by local authority), in the words before paragraph (a), for "This Chapter" substitute "In section 102 (benefit of accommodation treated as earnings) subsection (1A) (accommodation provided otherwise than pursuant to optional remuneration arrangements)".

(11) Section 99 (accommodation provided for performance of duties) is amended as follows.

(12) In subsection (1), for "This Chapter" substitute "In section 102 (benefit of accommodation treated as earnings) subsection (1A) (accommodation provided otherwise than pursuant to optional remuneration arrangements)".

(13) In subsection (2), for "This Chapter" substitute "In section 102 (benefit of accommodation treated as earnings) subsection (1A)".

(14) In section 100 (accommodation provided as result of security threat), in the words before paragraph (a), for "This Chapter" substitute "In section 102 (benefit of accommodation treated as earnings) subsection (1A) (accommodation provided otherwise than pursuant to optional remuneration arrangements)".

(15) In section 100A (homes outside UK owned by company etc), in subsection (1), for "This Chapter" substitute "In section 102 (benefit of accommodation treated as earnings) subsection (1A) (accommodation provided otherwise than pursuant to optional remuneration arrangements)".

(16) In section 101 (Chevening House), in the words before paragraph (a), for "This Chapter" substitute "In section 102 (benefit of accommodation treated as earnings) subsection (1A) (accommodation provided otherwise than pursuant to optional remuneration arrangements)".

(17) Section 102 (benefit of living accommodation treated as earnings) is amended as follows.

(18) In subsection (1), for the words before paragraph (a) substitute "This section applies if living accommodation to which this Chapter applies is provided in any period ("the taxable period")—".

(19) The words in subsection (1) from "the cash equivalent" to the end become subsection (1A).

(20) After subsection (1A) insert—

"(1B) If the benefit of the accommodation is provided pursuant to optional remuneration arrangements—

(a) subsection (1A) does not apply, and

(b) the relevant amount is to be treated as earnings from the employment for that tax year."

(21) Omit subsection (2).

(22) At the end insert—

"(4) Section 103A indicates how the relevant amount is determined."

(23) In section 103 (method of calculating cash equivalent), in subsection (3), for "102(2)" substitute "102(1)".

(24) After section 103 insert—

"103A Accommodation provided pursuant to optional remuneration arrangements: relevant amount

(1) To find the relevant amount, first determine which (if any) is the greater of—

(a) the modified cash equivalent of the benefit of the accommodation (see sections 105(2A) and 106(2A)), and

(b) the amount foregone with respect to the benefit of the accommodation (see section 69B).

(2) If the amount mentioned in subsection (1)(a) is greater than or equal to the amount mentioned in subsection (1)(b), the "relevant amount" is the cash equivalent of the benefit of the accommodation (see section 103).

(3) Otherwise, the "relevant amount" is the difference between—

(a) the amount foregone with respect to the benefit of the accommodation, and

(b) the deductible amount (see subsections (7) and (8)).

(4) If the amount foregone with respect to the benefit of the accommodation does not exceed the deductible amount, the relevant amount is taken to be zero.

(5) For the purposes of subsections (1) and (2), assume that the modified cash equivalent of the benefit of the accommodation is zero if the condition in subsection (6) is met.

(6) The condition is that the benefit of the accommodation would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(7) If the cost of providing the living accommodation does not exceed £75,000, the "deductible amount" means any sum made good, on or before 6 July following the tax year which contains the taxable period, by the employee to the person at whose cost the accommodation is provided that is properly attributable to its provision.

(8) If the cost of providing the living accommodation exceeds £75,000, the "deductible amount" means the total of amounts A and B where—

A is equal to so much of MG as does not exceed RV;

B is the amount of any excess rent paid by the employee in respect of the taxable period;

MG is the total of any sums made good, on or before 6 July following the tax year which contains the taxable period, by the employee to the person at whose cost the accommodation is provided that are properly attributable to its provision (in the taxable period);

RV is the rental value of the accommodation for the taxable period as set out in section 105(3) or (4A)(b) (as applicable).

(9) In subsection (8) "excess rent" means so much of the rent in respect of the taxable period paid—

(a) by the employee,

(b) in respect of the accommodation,

(c) to the person providing it, and

(d) on or before 6 July following the tax year which contains the taxable period,

as exceeds the rental value of the accommodation.

(10) Where it is necessary for the purposes of subsection (1)(b) and (3)(a) to apportion an amount of earnings to the benefit of the accommodation in the taxable period, the apportionment is to be made on a just and reasonable basis.

In this subsection "earnings" is to be interpreted in accordance with section 69B(5)."

(25) Section 105 (cash equivalent: cost of accommodation not over £75,000) is amended as follows.

(26) In subsection (1), after "equivalent" insert "or modified cash equivalent".

(27) After subsection (2) insert—

"(2A) The modified cash equivalent is equal to the rental value of the accommodation for the taxable period."

(28) Section 106 (cash equivalent: cost of accommodation over £75,000) is amended as follows.

(29) In subsection (1), after "equivalent" insert "or modified cash equivalent".

(30) After subsection (2) insert—

"(2A) To calculate the modified cash equivalent—

(a) apply steps 1 to 3 in subsection (2), as if the words "cash equivalent" in step 1 were "modified cash equivalent (for the purposes of section 105)";

(b) calculate the modified cash equivalent by adding together the amounts calculated under steps 1 and 3 as applied by paragraph (a)."

(31) Section 109 (priority of Chapter 5 over Chapter 1 of Part 3 of the Act) is amended as follows.

(32) In subsection (1)(a), for "the cash equivalent of the benefit of living accommodation" substitute "an amount".

(33) In subsection (2), for "of the cash equivalent" substitute "mentioned in subsection (1)(a)".

(34) In subsection (4), in the words before paragraph (a), for "cash equivalent of the benefit of the living accommodation" substitute "amount mentioned in subsection (1)(a)".

(35) In section 114 (cars, vans and related benefits), in subsection (2)—

(a) in paragraph (a), for "the cash equivalent of" substitute "an amount in respect of";

(b) in paragraph (b), for "the cash equivalent of" substitute "an amount in respect of";

(c) in paragraph (c), for "the cash equivalent of" substitute "an amount in respect of";

(d) in paragraph (d), for "the cash equivalent of" substitute "an amount in respect of".

(36) Section 119 (where alternative to benefit of car or van offered) is amended as follows.

(37) For subsection (1) substitute—

"(1) This section applies where in a tax year—

(a) a car is made available as mentioned in section 114(1),

(b) the car's CO_2 emissions figure (see sections 133 to 138) does not exceed 75 grams per kilometre, and

(c) an alternative to the benefit of the car is offered."

(38) In the heading, before "car" insert "low emission".

(39) In section 120 (benefit of car treated as earnings), after subsection (3) insert—

"(4) This section is subject to section 120A."

(40) After section 120 insert—

"120A Benefit of car treated as earnings: optional remuneration arrangements

(1) Where this Chapter applies to a car in relation to a particular tax year and the conditions in subsection (3) are met—

(a) the relevant amount (see section 121A) is to be treated as earnings from the employment for that tax year, and

(b) section 120(1) does not apply.

(2) In such a case (including a case where the relevant amount is nil) the employee is referred to in this Chapter as being chargeable to tax in respect of the car in the tax year.

(3) The conditions are that—

(a) the car is made available to the employee or member of the employee's household pursuant to optional remuneration arrangements,

(b) the amount foregone (see section 69B) with respect to the benefit of the car for the tax year is greater than the modified cash

equivalent of the benefit of the car for the tax year (see section 121B), and

(c) the car's CO_2 emissions figure (see sections 133 to 138) exceeds 75 grams per kilometre."

(41) After section 121 insert—

"121A Optional remuneration arrangements: method of calculating relevant amount

(1) To find the relevant amount for the purposes of section 120A, take the following steps—

Step 1
Take the amount foregone with respect to the benefit of the car for the tax year.

Step 2
Make any deduction under section 132A in respect of capital contributions made by the employee to the cost of the car or accessories.

The resulting amount is the provisional sum.

Step 3
Make any deduction from the provisional sum under section 144 in respect of payments by the employee for the private use of the car.

The result is the "relevant amount" for the purposes of section 120A.

(2) Where it is necessary, for the purpose of determining the "amount foregone" under step 1 of subsection (1), to apportion an amount of earnings to the benefit of the car for the tax year, the apportionment is to be made on a just and reasonable basis.
In this subsection "earnings" is to be interpreted in accordance with section 69B(5).

121B Meaning of "modified cash equivalent"

(1) The "modified cash equivalent" of the benefit of a car for a tax year is calculated in accordance with the following steps (which must be read with subsections (2) to (4))—

Step 1
Find the price of the car in accordance with sections 122 to 124A.

Step 2
Add the price of any accessories which fall to be taken into account in accordance with sections 125 to 131.

The resulting amount is the interim sum.

Step 3
Find the appropriate percentage for the car for the year in accordance with sections 133 to 142.

Step 4
Multiply the interim sum by the appropriate percentage for the car for the year.

Step 5
Make any deduction under section 143 for any periods when the car was unavailable.

The resulting amount is the modified cash equivalent of the benefit of the car for the year.

(2) Where the car is shared the modified cash equivalent is calculated under this section in accordance with section 148.

(3) The modified cash equivalent of the benefit of a car for a tax year is to be taken to be zero if the condition in subsection (4) is met.

(4) The condition is that the benefit of car for the tax year would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(5) The method of calculation set out in subsection (1) is modified in the special cases dealt with in—
  (a) section 146 (cars that run on road fuel gas), and
  (b) section 147A (classic cars: optional remuneration arrangements)."

(42) In section 126 (amounts taken into account in respect of accessories), in subsection (1), in the words before paragraph (a), after "121(1)" insert "and step 2 of section 121B(1)".

(43) Section 131 (replacement accessories) is amended as follows.

(44) In subsection (1), in the words before paragraph (a), after "applies" insert "for the purposes of sections 121(1) and 121B(1)".

(45) After subsection (1) insert—

"(1A) In the application of this section for the purposes of section 121B(1)—
  (a) references to the cash equivalent of the benefit of the car for the tax year are to be read as references to the modified cash equivalent of the benefit of the car for the tax year, and
  (b) references to step 2 of section 121(1) are to be read as references to step 2 of section 121B(1)."

(46) In section 132 (capital contributions by employee), in subsection (1), in the words before paragraph (a), after "applies" insert "for the purposes of section 121(1)".

(47) After section 132 insert—

"132A Capital contributions by employee: optional remuneration arrangements

(1) This section applies for the purposes of section 121A(1) if the employee contributes a capital sum to expenditure on the provision of—

(a) the car, or

(b) any qualifying accessory which is taken into account in calculating under section 121B the modified cash equivalent of the benefit of the car.

(2) A deduction is to be made from the amount carried forward from step 1 of section 121A(1)—

(a) for the tax year in which the contribution is made, and

(b) for all subsequent tax years in which the employee is chargeable to tax in respect of the car by virtue of section 120A.

(3) The amount of the deduction allowed in any tax year is found by multiplying the capped amount by the appropriate percentage.

(4) In subsection (3) the reference to "the appropriate percentage" is to the appropriate percentage for the car for the tax year (determined in accordance with sections 133 to 142).

(5) In this section "the capped amount" means the lesser of—

(a) the total of the capital sums contributed by the employee in that year and any earlier years to expenditure on the provision of—

(i) the car, or

(ii) any qualifying accessory which is taken into account in calculating under section 121B the modified cash equivalent of the benefit of the car for the tax year in question, and

(b) £5,000.

(6) This section is modified by section 147A (optional remuneration arrangements: classic cars)."

(48) Section 143 (deduction for periods when car unavailable) is amended as follows.

(49) Before subsection (1) insert—

"(A1) This section has effect for the purposes of—

(a) section 121(1) (method of calculating the cash equivalent of the benefit of a car), and

(b) section 121B(1) (optional remuneration arrangements: meaning of "modified cash equivalent")."

(50) In subsection (1), after "121(1)" insert "or (as the case may be) step 4 of section 121B(1)".

(51) In subsection (3), in the definition of "A", at the end insert "of section 121(1) or (as the case may be) step 4 of section 121B(1)".

(52) Section 144 (deduction for payments for private use) is amended as follows.

(53) In subsection (1), for "calculated under step 7 of section 121(1)" substitute "(see subsection (1A))".

(54) After subsection (1) insert—

"(1A) In this section "the provisional sum" means the provisional sum calculated under—

(a) step 7 of section 121(1) (method of calculating the cash equivalent of the benefit of a car), or

(b) step 2 of section 121A(1) (optional remuneration arrangements: method of calculating relevant amount")."

(55) In subsection (2), for the words from "so that" to the end substitute "so that—

(a) in a case within subsection (1A)(a), the cash equivalent of the benefit of the car for the year is nil, or

(b) in a case within subsection (1A)(b), the relevant amount for the purposes of section 120A is nil."

(56) In subsection (3)—

(a) for "In any other case" substitute "Where subsection (2) does not apply," and

(b) for the words from "give" to the end substitute "give—

(a) in a case within subsection (1A)(a), the cash equivalent of the benefit of the car for the year, or

(b) in a case within subsection (1A)(b), the relevant amount for the purposes of section 120A."

(57) Section 145 (modification of provisions where car temporarily replaced) is amended as follows.

(58) In subsection (1), for paragraph (c) substitute—

"(c) the employee is chargeable to tax—

(i) in respect of both the normal car and the replacement car by virtue of section 120, or

(ii) in respect of both the normal car and the replacement car by virtue of section 120A, and".

(59) After subsection (5) insert—

"(6) Where this section applies by virtue of subsection (1)(c)(ii), the condition in subsection (5)(b) is to be taken to be met if it would be met on the assumption that the cash equivalent of the benefit of the cars in question is to be calculated under section 121(1)."

(60) Section 146 (cars that run on road fuel gas) is amended as follows.

(61) In subsection (1), in the words before paragraph (a), after "applies" insert "for the purposes of sections 121 and 121B".

(62) In subsection (2), after "121(1)" insert "or (as the case may be) step 1 of section 121B(1)".

(63) After section 147 insert—

"147A Classic cars: optional remuneration arrangements

(1) This section applies in calculating the relevant amount in respect of a car for a tax year for the purposes of section 120A (benefit of car treated as earnings: optional remuneration arrangements) if—

(a) the age of the car at the end of the year is 15 years or more,

(b) the market value of the car for the year is £15,000 or more, and

(c) that market value exceeds the specified amount (see subsection (4)).

(2) In calculating the modified cash equivalent of the benefit of the car, for the interim sum calculated under step 2 of section 121B(1) substitute the market value of the car for the tax year in question.

(3) Section 132A (capital contributions by employee: optional remuneration arrangements) has effect as if—

(a) in subsection (1)(b) the reference to calculating under section 121B the modified cash equivalent of the benefit of the car were to determining the market value of the car, and

(b) in subsection (5)(a)(ii) the reference to calculating under section 121B the modified cash equivalent of the benefit of the car for the tax year in question were to determining the market value of the car for the tax year in question.

(4) The "specified amount" is found as follows.

Step 1

Find what would be the interim sum under step 2 of section 121B(1) (if subsection (2) of this section did not have effect).

Step 2

(Assuming for this purpose that the reference in section 132(2) to step 2 of section 121(1) includes a reference to step 1 of this subsection) make any deduction under section 132 for capital contributions made by the employee to the cost of the car or accessories.

The resulting amount is the specified amount.

(5) The market value of a car for a tax year is to be determined in accordance with section 147(3) and (4)."

(64) Section 148 (reduction of cash equivalent where car is shared) is amended as follows.

(65) In subsection (1)—

(a) in the words before paragraph (a), after "applies" insert "for the purposes of sections 121 and 121B";

(b) in the words after paragraph (c), for "section 120" substitute "sections 120 and 120A".

(66) For subsection (2) substitute—

"(2) The amount to be treated as earnings in respect of the benefit of the car is to be calculated separately for each of those employees for that tax year (whether under section 120 or section 120A)."

(67) In subsection (2A), at the beginning insert "In the case of an employee chargeable to tax in respect of the car by virtue of section 120".

(68) After subsection (2A) insert—

"(2B) In the case of an employee chargeable to tax in respect of the car by virtue of section 120A, the modified cash equivalent (as determined under section 121B(1)) is to be reduced on a just and reasonable basis."

(69) In section 149 (benefit of car fuel treated as earnings), in subsection (1)(b), at the end insert "or 120A".

(70) After section 149 insert—

"149A Benefit of car fuel treated as earnings: optional remuneration arrangements

(1) This section applies if—

(a) fuel is provided for a car in a tax year by reason of an employee's employment,

(b) the employee is chargeable to tax in respect of the car in the tax year by virtue of section 120 or 120A, and

(c) the fuel is provided pursuant to optional remuneration arrangements.

(2) If the condition in subsection (3) is met—

(a) the amount foregone with respect to the benefit of the fuel (see section 69B) is to be treated as earnings from the employment for the tax year, and

(b) section 149(1) does not apply.

(3) The condition mentioned in subsection (2) is that the amount foregone with respect to the benefit of the fuel is greater than the cash equivalent of the benefit of the fuel.

(4) For the purposes of subsection (3), assume that the cash equivalent of the benefit of the fuel is zero if the condition in subsection (5) is met.

(5) The condition mentioned in subsection (4) is that the benefit of the fuel would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(6) References in this section to fuel do not include any facility or means for supplying electrical energy or any energy for a car which cannot in any circumstances emit CO_2 by being driven.

(7) Where it is necessary for the purposes of subsections (2)(a) and (3) to apportion an amount of earnings to the benefit of the fuel in the tax year, the apportionment is to be made on a just and reasonable basis.

In this subsection "earnings" is to be interpreted in accordance with section 69B(5)."

(71) In section 154 (benefit of van treated as earnings), after subsection (3) insert—

"(4) This section is subject to section 154A."

(72) After section 154 insert—

"154A Benefit of van treated as earnings: optional remuneration arrangements

(1) Where this Chapter applies to a van in relation to a particular tax year and the conditions in subsection (2) are met—

(a) the relevant amount is to be treated as earnings from the employment for that tax year, and

(b) section 154(1) does not apply.

In such a case (including a case where the relevant amount is nil) the employee is referred to in this Chapter as being chargeable to tax in respect of the van in the tax year.

(2) The conditions are that—

(a) the van is made available to the employee or member of the employee's household pursuant to optional remuneration arrangements, and

(b) the amount foregone with respect to the benefit of the van (see section 69B) is greater than the modified cash equivalent of the benefit of the van.

(3) To find the relevant amount for the purposes of this section take the following steps—

Step 1

Take the amount foregone with respect to the benefit of the van for the tax year.

Step 2

Make any deduction under section 158A in respect of payments by the employee for the private use of the van.

The result is the "relevant amount".

(4) In subsection (2) the reference to the "modified cash equivalent" is to the amount which would be the cash equivalent of the benefit of the van (after any reductions under section 156 or 157) if this Chapter had effect the following modifications—

(a) omit paragraph (c) of section 155(8);

(b) omit section 158;

(c) in section 159(2)(b), for "155, 157 and 158" substitute "155 and 157".

(5) For the purposes of subsection (2) assume that the modified cash equivalent of the benefit of the van is zero if the condition in subsection (6) is met.

(6) The condition is that the benefit of the van would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(7) Where it is necessary for the purposes of subsection (2)(b) and step 1 of subsection (3) to apportion an amount of earnings to the benefit of the van in the tax year, the apportionment is to be made on a just and reasonable basis.

In this subsection "earnings" is to be interpreted in accordance with section 69B(5)."

(73) After section 158 insert—

"158A Van provided pursuant to optional remuneration arrangements: private use

(1) In calculating the relevant amount under section 154A in relation to a van and a tax year, a deduction is to be made under step 2 of subsection (3) of that section if, as a condition of the van being available for the employee's private use, the employee—

(a) is required in that year to pay (whether by way of deduction from earnings or otherwise) an amount of money for that use, and

(b) pays that amount on or before 6 July following that year.

(2) The amount of the deduction is—

(a) the amount paid as mentioned in subsection (1)(b) by the employee in respect of the year, or

(b) if less, the amount that would reduce the relevant amount to nil.

(3) In this section the reference to the van being available for the employee's private use includes a reference to the van being available for the private use of a member of the employee's family or household."

(74) Section 160 (benefit of van fuel treated as earnings) is amended as follows.

(75) In subsection (1)(b), after "154" insert "or 154A".

(76) At the end insert—

"(5) This section is subject to section 160A."

(77) After section 160 insert—

"160A Benefit of van fuel treated as earnings: optional remuneration arrangements

(1) This section applies if—

(a) fuel is provided for a van in a tax year by reason of an employee's employment,

(b) the benefit of the fuel is provided pursuant to optional remuneration arrangements, and

(c) the employee is chargeable to tax in respect of the van in the tax year by virtue of section 154 or 154A.

(2) If the condition in subsection (3) is met—

(a) the amount foregone with respect to the benefit of the fuel (see section 69B) is to be treated as earnings from the employment for that year, and

(b) section 160(1) does not apply.

(3) The condition mentioned in subsection (2) is that the amount foregone with respect to the benefit of the fuel is greater than the cash equivalent of the benefit of the fuel.

(4) For the purposes of subsection (3), assume that the cash equivalent of the benefit of the fuel is zero if the condition mentioned in subsection (5) is met.

(5) The condition mentioned in subsection (4) is that the benefit of the fuel would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(6) Where it is necessary for the purposes of subsections (2)(a) and (3) to apportion an amount of earnings to the benefit of the fuel in the tax year, the apportionment is to be made on a just and reasonable basis.

In this subsection "earnings" is to be interpreted in accordance with section 69B(5)."

(78) In section 170 (orders etc relating to Chapter 6 of Part 3), in subsection (1)—

(a) after paragraph (c) insert—

"(ca) section 132A(5)(b) (corresponding provision with respect to optional remuneration arrangements),";

(b) omit "or" at the end of paragraph (d);

(c) after paragraph (e) insert—

"(f) section 147A(1)(b) (classic car: minimum value: optional remuneration arrangements)."

(79) In section 173 (loans to which Chapter 7 applies), in subsection (1A)(b), for the words from "provide" to the end substitute "make provision about amounts which, in the case of a taxable cheap loan, are to be treated as earnings in certain circumstances".

(80) In section 175 (benefit of taxable cheap loan treated as earnings), for subsection (1) substitute—

"(A1) This section applies where an employment-related loan is a taxable cheap loan in relation to a tax year.

(1) The cash equivalent of the benefit of the loan is to be treated as earnings from the employee's employment for the tax year.

(1A) If the benefit of the loan is provided pursuant to optional remuneration arrangements and the condition in subsection (1B) is met—

(a) subsection (1) does not apply, and

(b) the relevant amount (see section 175A) is to be treated as earnings from the employee's employment for the tax year.

(1B) The condition is that the amount foregone with respect to the benefit of the loan for the tax year (see section 69B) is greater than the modified cash equivalent of the benefit of the loan for the tax year (see section 175A)."

(81) After section 175 insert—

"175A Optional remuneration arrangements: "relevant amount" and "modified cash equivalent"

(1) In section 175(1A) "the relevant amount", in relation to a loan the benefit of which is provided pursuant to optional remuneration arrangements, means the difference between—

(a) the amount foregone (see section 69B) with respect to the benefit of the loan, and

(b) the amount of interest (if any) actually paid on the loan for the tax year.

(2) For the purposes of section 175 the "modified cash equivalent" of the benefit of an employment-related loan for a tax year is the amount which would be the cash equivalent if section 175(3) had effect with the following modifications—

(a) in the opening words, omit "the difference between";

(b) omit paragraph (b) and the "and" before it."

(3) But the modified cash equivalent of the benefit of the loan is to be taken to be zero if the condition in subsection (4) is met.

(4) The condition is that the benefit of the loan for the tax year would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(5) For the purpose of calculating the modified cash equivalent of the benefit of an employment-related loan, assume that section 186(2) (replacement loans: aggregation) and section 187(3) (aggregation of loans by close company to a director) do not have effect.

(6) Where it is necessary for the purposes of section 175(1B) and subsection (1) of this section to apportion an amount of earnings to the benefit of the loan for the tax year, the apportionment is to be made on a just and reasonable basis.

In this subsection "earnings" is to be interpreted in accordance with section 69B(5)."

(82) In section 180 (threshold for benefit of loan to be treated as earnings), in subsection (1), for the words before paragraph (a) substitute "Section 175 does not have effect in relation to an employee and a tax year—".

(83) In section 184 (interest treated as paid), in subsection (1), for the words from "the cash equivalent" to the end substitute "—

(a) the cash equivalent of the benefit of a taxable cheap loan is treated as earnings from an employee's employment for a tax year under section 175(1), or

(b) the relevant amount in respect of the benefit of a taxable cheap loan is treated as earnings from an employee's employment for a tax year under section 175(1A)."

(84) In section 202 (excluded benefits), after subsection (1) insert—

"(1A) But a benefit provided to an employee or member of an employee's family or household is to be taken not to be an excluded benefit by virtue of subsection (1)(c) so far as it is provided under optional remuneration arrangements."

(85) After section 203 insert—

"203A Employment-related benefit provided under optional remuneration arrangements

(1) Where an employment-related benefit is provided pursuant to optional remuneration arrangements—

(a) the relevant amount is to be treated as earnings from the employment for the tax year in which the benefit is provided, and

(b) section 203(1) does not apply.

(2) To find the relevant amount, first determine which (if any) is the greater of—

(a) the cost of the employment-related benefit, and

(b) the amount foregone with respect to the benefit (see section 69B).

(3) If the cost of the employment-related benefit is greater than or equal to the amount foregone, the "relevant amount" is the cash equivalent (see section 203(2)).

(4) Otherwise, the "relevant amount" is—

(a) the amount foregone with respect to the employment-related benefit, less

(b) any part of the cost of the benefit made good by the employee, to the persons providing the benefit, on or before 6 July following the tax year in which it is provided.

(5) For the purposes of subsections (2) and (3), assume that the cost of the employment-related benefit is zero if the condition in subsection (6) is met.

(6) The condition is that the employment-related benefit would be exempt from income tax but for section 228A (exclusion of certain exemptions).

(7) Where it is necessary for the purposes of subsections (2)(b) and (4) to apportion an amount of earnings to the benefit provided in the tax year, the apportionment is to be made on a just and reasonable basis.

In this subsection "earnings" is to be interpreted in accordance with section 69B(5)."

(86) In Part 4 of the Income Tax (Earnings and Pensions) Act 2003 (employment income: exemptions), after section 228 insert—

"228A General exclusion from exemptions: optional remuneration arrangements

(1) A relevant exemption does not apply (whether to prevent liability to income tax from arising or to reduce liability to income tax) in respect of a benefit or facility so far as the benefit or facility is provided pursuant to optional remuneration arrangements.

(2) For the purposes of subsection (1) it does not matter whether the relevant exemption would (apart from that subsection) have effect as an employment income exemption or an earnings-only exemption.

(3) For the purposes of this section an exemption conferred by this Part is a "relevant exemption" unless it is—

(a) a special case exemption (see subsection (4)), or

(b) an excluded exemption (see subsection (5)).

(4) "Special case exemption" means an exemption conferred by any of the following provisions—

(a) section 289A (exemption for paid or reimbursed expenses);

(b) section 289D (exemption for other benefits);

(c) section 308B (independent advice in respect of conversions and transfers of pension scheme benefits);

(d) section 312A (limited exemption for qualifying bonus payments);

(e) section 317 (subsidised meals);

(f) section 320C (recommended medical treatment);

(g) section 323A (trivial benefits provided by employers).

(5) "Excluded exemption" means an exemption conferred by any of the following provisions—

(a) section 239 (payments and benefits connected with taxable cars and vans and exempt heavy goods vehicles);

(b) section 244 (cycles and cyclist's safety equipment);

(c) section 266(2)(c) (non-cash voucher regarding entitlement to exemption within section 244);
(d) section 270A (limited exemption for qualifying childcare vouchers);
(e) section 308 (exemption of contribution to registered pension scheme);
(f) section 308A (exemption of contributions to overseas pension scheme);
(g) section 308C (provision of pensions advice);
(h) section 309 (limited exemptions for statutory redundancy payments);
(i) section 310 (counselling and other outplacement services);
(j) section 311 (retraining courses);
(k) section 318 (childcare: exemption for employer-provided care);
(l) section 318A (childcare: limited exemption for other care).

(6) In this section "benefit or facility" includes anything which constitutes employment income or in respect of which employment income is treated as arising to the employee (regardless of its form and the manner of providing it).

(7) In this section "optional remuneration arrangements" has the same meaning as in the benefits code (see section 69A).

(8) The Treasury may by order amend subsections (4) and (5) by adding or removing an exemption conferred by Part 4."

(87) Section 19 of the Income Tax (Earnings and Pensions) Act 2003 (receipt of non-money earnings) is amended as follows.

(88) In subsection (2), after "94" insert "or 94A".

(89) In subsection (3), after "87" insert "or 87A".

(90) In section 95 of the Income Tax (Earnings and Pensions) Act 2003 (disregard for money, goods or services obtained), in subsection (1), in the words before paragraph (a), after "credit-token" insert "or the relevant amount in respect of a cash voucher, a non-cash voucher or a credit-token".

(91) In section 236 of the Income Tax (Earnings and Pensions) Act 2003 (interpretation of Chapter 2 of Part 4: exemptions for mileage allowance relief etc), in subsection (2)(b)—
(a) in the words before sub-paragraph (i), for "the cash equivalent of" substitute "an amount in respect of";
(b) in sub-paragraph (i), after "120" insert "or 120A";
(c) in sub-paragraph (ii), after "154" insert "or 154A";
(d) in sub-paragraph (iii), after "203" insert "or 203A".

(92) In section 236 of the Income Tax (Earnings and Pensions) Act 2003 (interpretation of Chapter 2 of Part 4), in subsection (2)(c), for "the cash equivalent of" substitute "an amount in respect of".

(93) Section 239 of the Income Tax (Earnings and Pensions) Act 2003 (payments and benefits connected with taxable cars and vans etc) is amended as follows.

(94) In subsection (3)—
(a) after "149" insert "or 149A";
(b) after "160" insert "or 160A".

(95) In subsection (6), for "the cash equivalent of" substitute "an amount (whether the cash equivalent or the relevant amount) in respect of".

(96) In section 362 of the Income Tax (Earnings and Pensions) Act 2003 (deductions where non-cash voucher provided), in subsection (1)(a), for "87(1) (cash equivalent" substitute "87(1) or 87A(1) (amount in respect".

(97) In section 318A of the Income Tax (Earnings and Pensions) Act 2003 (childcare: limited exemption for other care), in subsection (1)(b), for "cash equivalent of the benefit" substitute "amount treated as earnings in respect of the benefit by virtue of section 203(1) or 203A(1) (as the case may be)".

(98) In section 363 of the Income Tax (Earnings and Pensions) Act 2003 (deductions where credit-token provided), in subsection (1)(a), for "94(1) (cash equivalent" substitute "94(1) or 94A(1) (amount in respect".

(99) In section 693 of the Income Tax (Earnings and Pensions) Act 2003 (cash vouchers), in subsection (1), for "section 81(2)" substitute "subsection (2) of, or (as the case may be) referred to in subsection (1A)(b) of, section 81".

(100) In section 694 of the Income Tax (Earnings and Pensions) Act 2003 (non-cash vouchers), in subsection (1), after "87(2)" insert "or 87A(4)".

(101) In section 695 of the Income Tax (Earnings and Pensions) Act 2003 (benefit of credit-token treated as earnings), after subsection (1) insert—

"(1A) If the credit-token is provided pursuant to optional remuneration arrangements, the reference in subsection (1) to the amount ascertained under section 94(2) is to be read as a reference to what that amount would be were the credit-token provided otherwise than pursuant to optional remuneration arrangements.

In this subsection "optional remuneration arrangements" is to be interpreted in accordance with section 69A."

(102) In Part 2 of Schedule 1 to the Income Tax (Earnings and Pensions) Act 2003 (index of defined expressions), at the appropriate places insert—

"amount foregone (in relation to a benefit) (in the benefits code)	section 69B"
"optional remuneration arrangements (in the benefits code)	section 69A"

(103) In Part 2 of Schedule 1 to the Income Tax (Earnings and Pensions) Act 2003 (index of defined expressions), in the entry relating to "the taxable period", for "102(2)" substitute "102(1)".

(104) The amendments made by paragraphs (1), (91)(a), (92) and (102) of this Resolution have effect for the tax year 2017-18 and subsequent tax years.

(105) The amendments made by paragraphs (2) to (90), (91)(b) to (d), (93) to (101) and (103) of this Resolution have effect for the tax year 2017-18 and subsequent tax years.

(106) But paragraph (105) does not apply in relation to benefits provided pursuant to pre-6 April 2017 arrangements.

(107) In relation to a benefit provided pursuant to pre-6 April 2017 arrangements, the amendment made by paragraph (86) has effect for the tax year 2018-19 and subsequent tax years.

(108) In relation to a benefit provided pursuant to pre-6 April 2017 arrangements, the amendments made by paragraphs (9) to (78), (91)(b) and (c), (93) to (95) and (103) (and paragraph (2), so far as relating to those paragraphs) have effect for the tax year 2021-22 and subsequent tax years.

(109) In relation to a benefit provided pursuant to pre-6 April 2017 arrangements, the amendments made by paragraphs (3) to (8), (79) to (85), (87) to (90), (91)(d) and (96) to (101) (and paragraph (2), so far as relating to those paragraphs) have effect for the tax year 2018-19 and subsequent tax years (but see paragraph (115)).

(110) If any terms of a pre-6 April 2017 arrangement which relate to the provision of a particular benefit are varied on or after 6 April 2017, that benefit is treated, with effect from the beginning of the day on which the variation takes effect, as not being provided pursuant to pre-6 April 2017 arrangements for the purposes of this Resolution.

(111) If pre-6 April 2017 arrangements are renewed on or after 6 April 2017, this Resolution has effect as if those arrangements were entered into at the beginning of the day on which the renewal takes effect (and are distinct from the arrangements existing immediately before that day).

(112) In paragraph (111) the reference to renewal includes a renewal which takes effect automatically.

(113) In paragraph (110) the reference to variation does not include any variation which is required in connection with accidental damage to a benefit provided under the arrangements, or otherwise for reasons beyond the control of the parties to the arrangements.

(114) In paragraph (110) the reference to variation does not include any variation which occurs in connection with a person's entitlement to statutory sick pay, statutory maternity pay, statutory adoption pay, statutory paternity pay or statutory shared parental pay.

(115) In relation to relevant school fee arrangements which were entered into before 6 April 2017—

(a) paragraph (109) is to be read as if it did not include a reference to paragraph (85);

(b) the amendment made by paragraph (85) has effect for the tax year 2021-22 and subsequent tax years.

(116) Relevant school fee arrangements to which an employee is a party ("the continuing arrangements") are to be regarded for the purposes of this Resolution as the same arrangements as any relevant school fee arrangements to which the employee was previously a party ("the previous arrangements") if the continuing arrangements and the previous arrangements relate—

(a) to employment with the same employer,

(b) to the same school, and

(c) to school fees in respect of the same child.

(117) Paragraphs (110) and (111) do not have effect in relation to relevant school fee arrangements.

(118) If a non-cash voucher is provided under pre-6 April 2017 arrangements and is used to obtain anything (whether money, goods or services) that is provided on or after 6 April 2018 ("delayed benefits"), so much of the benefit of the voucher as it is reasonable to regard as being applied to obtain the delayed benefits is to be treated for the purposes of this Resolution as not having been provided pursuant to pre-6 April 2017 arrangements.

(119) For the purposes of this Resolution arrangements are "relevant school fee arrangements" if the benefit mentioned in section 69A(1) of the Income Tax (Earnings and Pensions) Act 2003 consists in the payment or reimbursement (in whole or in part) of, or a waiver or reduction of, school fees.

(120) In this Resolution—

(a) "arrangements" means optional remuneration arrangements (as defined in section 69A of the Income Tax (Earnings and Pensions) Act 2003);

(b) "benefit" includes any benefit or facility, regardless of the manner of providing it;

(c) "non-cash voucher" has the same meaning as in Chapter 4 of Part 3 of the Income Tax (Earnings and Pensions) Act 2003;

(d) "pre-6 April 2017 arrangements" means arrangements which are entered into before 6 April 2017.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

9. Taxable benefits (making good)

That provision may be made about making good the cost of taxable benefits.

10. Taxable benefits (assets made available without transfer)

That—

(1) The Income Tax (Earnings and Pensions) Act 2003 is amended as follows.

(2) In section 205 (cost of taxable benefit subject to the residual charge: asset made available without transfer)—

(a) in subsection (1), for paragraph (a) substitute—

"(a) the benefit consists in an asset being made available for private use, and",

(b) after subsection (1) insert—

"(1A) In this section and section 205A, "private use" means private use by the employee or a member of the employee's family or household.

(1B) For the purposes of subsection (1) and sections 205A and 205B, an asset made available in a tax year for use by the employee or a

member of the employee's family or household is to be treated as made available throughout the year for private use unless—

(a) at all times in the year when it is available for use by the employee or a member of the employee's family or household, the terms under which it is made available prohibit private use, and

(b) no private use is made of it in the year.

(1C) The cost of the taxable benefit is—

(a) the annual cost of the benefit determined in accordance with subsection (2), less

(b) any amount required to be deducted by section 205A (deduction for periods when asset unavailable for private use).

(1D) In certain cases, the cost of the taxable benefit is calculated under this section in accordance with section 205B (reduction of cost of taxable benefit where asset is shared).", and

(c) in subsection (2), in the words before paragraph (a), for "cost of the taxable" substitute "annual cost of the".

(3) After section 205 insert—

"205A Deduction for periods when asset unavailable for private use

(1) A deduction is to be made under section 205(1C)(b) if the asset mentioned in section 205(1) has been unavailable for private use on any day during the tax year concerned.

(2) For the purposes of this section an asset is "unavailable" for private use on any day if—

(a) that day falls before the day on which the asset is first available to the employee,

(b) that day falls after the day on which the asset is last available to the employee,

(c) for more than 12 hours during that day the asset—

(i) is not in a condition fit for use,

(ii) is undergoing repair or maintenance,

(iii) could not lawfully be used,

(iv) is in the possession of a person who has a lien over it and who is not the employer, not a person connected with the employer, not the employee, not a member of the employee's family and not a member of the employee's household, or

(v) is used in a way that is neither use by, nor use at the direction of, the employee or a member of the employee's family or household, or

(d) on that day the employee—

(i) uses the asset in the performance of the duties of the employment, and

(ii) does not use the asset otherwise than in the performance of the duties of the employment.

(3) The amount of the deduction is given by—

$$\frac{U}{Y} \times A$$

where—

U is the number of days, in the tax year concerned, on which the asset is unavailable for private use,

Y is the number of days in that year, and

A is the annual cost of the benefit of the asset determined under section 205(2).

(4) The reference in subsection (2)(a) to the time when the asset is first available to the employee is to the earliest time when the asset is made available, by reason of the employment and without any transfer of the property in it, for private use.

(5) The reference in subsection (2)(b) to the time when the asset is last available to the employee is to the last time when the asset is made available, by reason of the employment and without any transfer of the property in it, for private use.

205B Reduction of cost of taxable benefit where asset is shared

(1) This section applies where the cost of an employment-related benefit ("the taxable benefit") is to be determined under section 205.

(2) If, for the whole or part of the tax year concerned, the same asset is available for more than one employee's private use at the same time, the total of the amounts which are the cost of the taxable benefit for each of those employees is to be limited to the annual cost of the benefit of the asset determined in accordance with section 205(2).

(3) The cost of the taxable benefit for each employee is determined by taking the amount given by section 205(1C) and then reducing that amount on a just and reasonable basis.

(4) For the purposes of this section, an asset is available for an employee's private use if it is available for private use by the employee or a member of the employee's family or household."

(4) In section 365 (deductions where employment-related benefit provided)—

(a) in subsection (1)—

(i) omit the "and" at the end of paragraph (a), and

(ii) after that paragraph insert—

"(aa) the cost of the benefit was determined under section 204 or 206, and",

(b) in subsection (3), for "sections 204 to 206" substitute "section 204 or 206", and

(c) in the heading, for "employment-related benefit" substitute "certain employment-related benefits".

(5) The amendments made by this Resolution have effect for the tax year 2017-18 and subsequent tax years.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

11. Pensions

That provision may be made about the taxation of pensions.

12. Pensions (offshore transfers)

That—

(1) Schedule 34 to the Finance Act 2004 (non-UK pension schemes: application of certain charges) is amended as follows.

(2) Paragraph 1 (application of member payment charges to relevant non-UK schemes) is amended as follows.

(3) After sub-paragraph (6) insert—

"(6A) There are three types of relevant transfer—

(a) an original relevant transfer,

(b) a subsequent relevant transfer, and

(c) any other (including, in particular, all relevant transfers before 9 March 2017).

(6B) "An original relevant transfer" is—

(a) a relevant transfer within sub-paragraph (6)(a) made on or after 9 March 2017,

(b) a relevant transfer within sub-paragraph (6)(b), made on or after 9 March 2017, of the whole or part of the UK tax-relieved fund of a relieved member of a qualifying recognised overseas pension scheme, or

(c) a relevant transfer within sub-paragraph (6)(b), made on or after 6 April 2017, of the whole or part of the UK tax-relieved fund of a relieved member of a relevant non-UK scheme that is not a qualifying recognised overseas pension scheme.

(6C) The sums or assets transferred as a result of an original relevant transfer constitute a ring-fenced transfer fund, and the key date for that fund is the date of the transfer.

(6D) Where in the case of a ring-fenced transfer fund ("the source fund") there is a relevant transfer of the whole or part of the fund—

(a) the sums or assets transferred as a result of the transfer constitute a ring-fenced transfer fund,

(b) that fund has the same key date as the source fund, and

(c) the transfer is "a subsequent relevant transfer", and is not an original relevant transfer.

(6E) Sub-paragraph (6D) applies whether the source fund is a ring-fenced transfer fund as a result of sub-paragraph (6C) or as a result of sub-paragraph (6D).

(6F) The Commissioners for Her Majesty's Revenue and Customs may by regulations provide that sums or assets identified in accordance with the regulations are not included in a ring-fenced transfer fund as a result of sub-paragraph (6D)(a)."

(4) Paragraph 2 (member payment provisions apply to payments out of non-UK schemes if member is UK resident or has been UK resident in any of the preceding 5 tax years) is amended as follows.

(5) The existing text becomes sub-paragraph (1).

(6) In that sub-paragraph, after "scheme" insert "so far as it is referable to 5-year-rule funds".

(7) After that sub-paragraph insert—

"(2) The member payment provisions do not apply in relation to a payment made (or treated by this Part as made) to or in respect of a relieved member of a relevant non-UK scheme so far as it is referable to 10-year rule funds unless the member—

(a) is resident in the United Kingdom when the payment is made (or treated as made), or

(b) although not resident in the United Kingdom at that time, has been resident in the United Kingdom earlier in the tax year in which the payment is made (or treated as made) or in any of the 10 tax years immediately preceding that year.

(3) The member payment provisions do not apply in relation to a payment made (or treated by this Part as made) to or in respect of a transfer member of a relevant non-UK scheme, so far as it is referable to any particular ring-fenced transfer fund of the member's under the scheme which has a key date of 6 April 2017 or later, unless—

(a) the member is resident in the United Kingdom when the payment is made (or treated as made), or

(b) although the member is not resident in the United Kingdom at that time—

(i) the member has been resident in the United Kingdom earlier in the tax year containing that time, or

(ii) the member has been resident in the United Kingdom in any of the 10 tax years immediately preceding the tax year containing that time, or

(iii) that time is no later than the end of 5 years beginning with the key date for the particular fund.

(4) In this paragraph—

"5-year rule funds", in relation to a payment to or in respect of a relieved member of a relevant non-UK scheme, means so much of the member's UK tax-relieved fund under the scheme as represents tax-relieved contributions, or tax-exempt provision, made under the scheme before 6 April 2017;

"5-year rule funds", in relation to a payment to or in respect of a transfer member of a relevant non-UK scheme, means—

(a) the member's relevant transfer fund under the scheme, and

(b) any of the member's ring-fenced transfer funds under the scheme that has a key date earlier than 6 April 2017;

"10-year rule funds", in relation to a payment to or in respect of a relieved member of a relevant non-UK scheme, means so much of the member's UK tax-relieved fund under the scheme

as represents tax-relieved contributions, or tax-exempt provision, made under the scheme on or after 6 April 2017.

(5) See also—

paragraph 1(6C), (6D) and (6F) (meaning of "ring-fenced transfer fund"),

paragraph 3 (meaning of "UK tax-relieved fund", "tax-relieved contributions" and "tax-exempt provision" etc), and

paragraph 4 (meaning of "relevant transfer fund" etc)."

(8) Paragraph 3 (payments to or in respect of relieved members of schemes) is amended as follows.

(9) After sub-paragraph (5) insert—

"(5A) The Commissioners for Her Majesty's Revenue and Customs may by regulations provide that, in circumstances specified in the regulations, something specified in the regulations is to be treated as done by, to in respect of or in the case of a relieved member of a relevant non-UK scheme."

(10) In sub-paragraph (6) (power to specify whether payments by scheme are referable to UK tax-relieved fund) after "payments made (or treated as made) by" insert ", or other things done by or to or under or in respect of or in the case of,".

(11) After sub-paragraph (7) insert—

"(8) Where regulations under sub-paragraph (6) make provision for a payment or something else to be treated as referable to a member's UK tax-relieved fund under a scheme, regulations under that sub-paragraph may make provision for the payment or thing, or any part or aspect of the payment or thing, also to be treated as referable to a particular part of that fund."

(12) Paragraph 4 (payments to or in respect of transfer members of schemes) is amended as follows.

(13) In sub-paragraph (1), after "relevant transfer fund" insert ", or ring-fenced transfer funds,".

(14) In sub-paragraph (2) (meaning of "relevant transfer fund"), before "so much of" insert ", subject to sub-paragraph (3A),".

(15) After sub-paragraph (3) insert—

"(3A) The member's relevant transfer fund under the scheme does not include sums or assets that are in any of the member's ring-fenced transfer funds under the scheme."

(16) After sub-paragraph (4) insert—

"(5) The Commissioners for Her Majesty's Revenue and Customs may by regulations provide that, in circumstances specified in the regulations, something specified in the regulations is to be treated as done by, to, in respect of or in the case of a transfer member of a relevant non-UK scheme.

(6) Regulations made by the Commissioners for Her Majesty's Revenue and Customs may make provision for determining whether payments or transfers made (or treated as made) by, or other things done by or

to or under or in respect of or in the case of, a relevant non-UK scheme are to be treated as referable to a member's ring-fenced transfer funds under the scheme (and so whether or not they reduce the funds or any of them).

(7) Where regulations under sub-paragraph (6) make provision for a payment or transfer or something else to be treated as referable to a member's ring-fenced transfer funds under a scheme, regulations under that sub-paragraph may make provision for the payment or transfer or other thing, or any part or aspect of the payment or transfer or thing, also to be treated as referable to a particular one of those funds."

(17) In paragraph 7(2)(c) (regulations about application of member payment provisions), after "relevant transfer fund" insert "or ring-fenced transfer funds".

(18) Paragraph 9ZB (application of section 227G) is amended as follows.

(19) In sub-paragraph (2), after "relevant transfer fund" insert "or ring-fenced transfer funds".

(20) After sub-paragraph (3) insert—

"(4) The reference in sub-paragraph (2) to the individual's ring-fenced transfer funds under the relevant non-UK scheme is to be read in accordance with paragraph 1."

(21) The amendments made by paragraphs (4) to (7) of this Resolution apply in relation to payments made (or treated as made) on or after 6 April 2017, and the amendments made by paragraphs (3) and (8) to (20) of this Resolution come into force on 9 March 2017.

(22) Section 576A of the Income Tax (Earnings and Pensions) Act 2003 (as it applies where the year of departure is the tax year 2013-14 or a later tax year) is amended as follows.

(23) In subsection (6)(b) (pension income: temporary non-residents: non-application where payment not referable to relevant transfer fund)—

(c) for "not referable" substitute "referable neither", and

(d) after "relevant transfer fund" insert ", nor to the member's ring-fenced transfer funds,".

(24) In subsection (10) (interpretation), at the end insert—

""member's ring-fenced transfer fund" (see paragraph 1(6C) and (6D)."

(25) Section 576A of the Income Tax (Earnings and Pensions) Act 2003, as it applies where the year of departure is the tax year 2012-13 or an earlier tax year, is amended as follows.

(26) In subsection (6) (pension income: temporary non-residents: non-application unless payment referable to relevant transfer fund), after "member's relevant transfer fund" insert ", or the member's ring-fenced transfer funds,".

(27) In subsection (8) (interpretation), before the definition of "scheme pension" insert—

""member's ring-fenced transfer funds" has the same meaning as in that Schedule (see paragraph 1(6C) and (6D));".

(28) The amendments made by paragraphs (22) to (27) of this Resolution apply in relation to relevant withdrawals on or after 6 April 2017.

(29) In Part 4 of the Finance Act 2004 (pension schemes etc), after section 244 insert—

"Non-UK schemes: the overseas transfer charge

244A Overseas transfer charge

(1) A charge to income tax, to be known as the overseas transfer charge, arises where—

(a) a recognised transfer is made to a QROPS, or

(b) an onward transfer is made during the relevant period for the original transfer, and

and the transfer is not excluded from the charge by or under any of sections 244B to 244H.

(2) Sections 244B to 244H are subject to section 244I (circumstances in which exclusions do not apply).

(3) In this group of sections, an "onward transfer" is a transfer of sums or assets held for the purposes of, or representing accrued rights under, an arrangement under a QROPS or former QROPS in relation to a member so as to become held for the purposes of, or to represent rights under, an arrangement under another QROPS in relation to that person as a member of that other QROPS.

(4) In this group of sections "relevant period" means—

(a) in the case of a recognised transfer made on 6 April in any year, the 5 years beginning with the date of the transfer,

(b) in the case of any other recognised transfer, the period consisting of the combination of—

(i) the period beginning with the date of the transfer and ending with the next 5 April, and

(ii) the 5 years beginning at the end of that initial period,

(c) in the case of an onward transfer, the period—

(i) beginning with the date of the transfer, and

(ii) ending at the end of the relevant period for the original transfer (see paragraphs (a) and (b) or, as the case may be, paragraphs (d) and (e)),

(d) in the case of a relevant transfer that—

(i) is made on 6 April in any year, and

(ii) is the original transfer for an onward transfer,

the 5 years beginning with the date of the relevant transfer, and

(e) in the case of a relevant transfer that—

(i) is made otherwise than on 6 April in any year, and

(ii) is the original transfer for an onward transfer,

the period consisting of the combination of: the period beginning with the date of the relevant transfer and ending with the next 5 April; and the 5 years beginning at the end of that initial period.

(5) In this group of sections "the original transfer", in relation to an onward transfer, means (subject to subsection (6))—

(a) the recognised transfer in respect of which the following conditions are met—

(i) it is from a registered pension scheme to a QROPS,

(ii) the sums and assets transferred by the onward transfer directly or indirectly derive from those transferred by it, and

(iii) it is more recent than any other recognised transfer in respect of which the conditions in sub-paragraphs (i) and (ii) are met, or

(b) where there is no such recognised transfer, the relevant transfer (see paragraph 1(6) of Schedule 34) in respect of which the following conditions are met—

(i) it is from a relevant non-UK scheme (see paragraph 1(5) of Schedule 34),

(ii) it is a transfer of the whole or part of the UK-tax relieved fund (see paragraph 3 of Schedule 34) of a member of the scheme,

(iii) it is to a QROPS, and

(iv) the sums and assets transferred by the onward transfer directly or indirectly derive from those transferred by it.

(6) Where apart from this subsection there would be different original transfers for different parts of an onward transfer, each such part of the onward transfer is to be treated as a separate onward transfer for the purposes of this group of sections.

(7) In this section and sections 244B to 244N—

"QROPS" means a qualifying recognised overseas pension scheme, and "former QROPS" means a scheme that has at any time been a QROPS;

"ring-fenced transfer fund", in relation to a QROPS or former QROPS, has the meaning given by paragraph 1 of Schedule 34;

"this group of sections" means this section and sections 244B to 244N.

244B Exclusion: member and receiving scheme in same country

(1) A recognised transfer to a QROPS is excluded from the overseas transfer charge if during the relevant period—

(a) the member is resident in the country or territory in which the QROPS is established, and

(b) there is no onward transfer—

(i) for which the recognised transfer is the original transfer, and

(ii) which is not excluded from the charge.

(2) If the member is resident in that country or territory at the time of the transfer mentioned in subsection (1), it is to be assumed for the purposes of subsection (1) that the member will be resident in that country or territory during the relevant period; but if, at a time before the end of the relevant period, the transfer ceases to be excluded by subsection (1) otherwise than by reason of the member's death—

(a) that assumption is from that time no longer to be made, and

(b) the charge on the transfer is treated for the purposes of sections 244L and 254 as charged at that time.

(3) An onward transfer to a QROPS ("transfer A") is excluded from the overseas transfer charge if during so much of the relevant period as is after the time of the transfer A—

(a) the member is resident in the country or territory in which the QROPS is established, and

(b) there is no subsequent onward transfer that—

(i) is of sums and assets which, in whole or part, directly or indirectly derive from those transferred by transfer A, and

(ii) is not excluded from the charge.

(4) If the member is resident in that country or territory at the time of transfer A, it is to be assumed for the purposes of subsection (3) that the member will be resident in that country or territory during so much of the relevant period as is after the time of transfer A; but if, at a time before the end of the relevant period, the transfer ceases to be excluded by subsection (3) otherwise than by reason of the member's death—

(a) that assumption is from that time no longer to be made, and

(b) the charge on transfer A is treated for the purposes of sections 244L and 254 as charged at that time.

244C Exclusion: member and receiving scheme in EEA states

(1) This section applies to a transfer to a QROPS established in an EEA state.

(2) If the transfer is a recognised transfer, the transfer is excluded from the overseas transfer charge if during the relevant period—

(a) the member is resident in an EEA state (whether or not the same EEA state throughout that period), and

(b) there is no onward transfer—

(i) for which the recognised transfer is the original transfer, and

(ii) which is not excluded from the charge.

(3) If the member is resident in an EEA state at the time of the recognised transfer mentioned in subsection (2), it is to be assumed for the purposes of this section that the member will be resident in an EEA state during the relevant period; but if, at a time before the end of the relevant period, the transfer ceases be excluded by subsection (2) otherwise than by reason of the member's death—

(a) that assumption is from that time no longer to be made, and

(b) the charge on the transfer is treated for the purposes of sections 244L and 254 as charged at that time.

(4) If the transfer is an onward transfer ("transfer B"), the transfer is excluded from the overseas transfer charge if during so much of the relevant period as is after the time of the onward transfer—

(a) the member is resident in an EEA state (whether or not the same EEA state at all of those times), and

(b) there is no subsequent onward transfer that—

(i) is of sums and assets which, in whole or part, directly or indirectly derive from those transferred by transfer B, and

(ii) is not excluded from the charge.

(5) If the member is resident in an EEA state at the time of transfer B, it is to be assumed for the purposes of subsection (4) that the member will be resident in an EEA state during so much of the relevant period as is after the time of transfer B; but if, at a time before the end of the relevant period, the transfer ceases to be excluded by subsection (4) otherwise than by reason of the member's death—

(a) that assumption is from that time no longer to be made, and

(b) the charge on transfer B is treated for the purposes of sections 244L and 254 as charged at that time.

244D Exclusion: receiving scheme is an occupational pension scheme

A transfer to a QROPS is excluded from the overseas transfer charge if—

(a) the QROPS is an occupational pension scheme, and

(b) when the transfer is made, the member is an employee of a sponsoring employer of the QROPS.

244E Exclusion: receiving scheme set up by international organisation

(1) A transfer to a QROPS is excluded from the overseas transfer charge if—

(a) the QROPS is established by an international organisation and has effect so as to provide benefits for, or in respect of, past service as an employee of the organisation, and

(b) when the transfer is made, the member is an employee of the organisation.

(2) In this section "international organisation" means an organisation to which section 1 of the International Organisations Act 1968 applies by virtue of an Order in Council under subsection (1) of that section.

244F Exclusion: receiving scheme is an overseas public service scheme

(1) A transfer to a QROPS is excluded from the overseas transfer charge if—

(a) the QROPS is an overseas public service pension scheme, and

(b) when the transfer is made, the member is an employee of an employer that participates in the scheme.

(2) A QROPS is an "overseas public service pension scheme" for the purposes of this section if—

(a) either—

(i) it is established by or under the law of the country or territory in which it is established, or

(ii) it is approved by the government of that country or territory, and

(b) it is established solely for the purpose of providing benefits to individuals for or in respect of services rendered to—

(i) that country or territory, or

(ii) any political subdivision or local authority of that country or territory.

(3) For the purposes of this section, an employer participates in a QROPS that is an overseas public service pension scheme if the scheme has effect so as to provide benefits to or in respect of any or all of the employees of the employer in respect of their employment by the employer.

244G Exclusions: avoidance of double charge, and transitional protections

(1) A recognised transfer to a QROPS is excluded from the overseas transfer charge if it is made in execution of a request made before 9 March 2017.

(2) An onward transfer ("the current onward transfer") is excluded from the overseas transfer charge if—

(a) the charge was paid on the original transfer and the amount paid is not repayable, or

(b) the charge was paid on an onward transfer ("the earlier onward transfer") in respect of which the conditions in subsection (4) are met and the amount paid is not repayable, or

(c) the original transfer was made before 9 March 2017, or

(d) the original transfer was made on or after 9 March 2017 in execution of a request made before 9 March 2017.

(3) An onward transfer is excluded from the overseas transfer charge so far as the transfer is made otherwise than out of the member's ring-fenced transfer funds under the scheme from which the onward transfer is made.

(4) The conditions mentioned in subsection (2)(b) are—

(a) that the earlier onward transfer was made before the current onward transfer,

(b) that the earlier onward transfer was made after the original transfer, and

(c) that all the sums and assets transferred by the current onward transfer directly or indirectly derive from those transferred by the earlier onward transfer.

244H Power to provide for further exclusions

The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision for a recognised transfer to a QROPS, or an onward transfer, to be excluded from the overseas transfer charge if the transfer is of a description specified in the regulations.

244I Circumstances in which exclusions do not apply

(1) Subsection (2) applies if a recognised transfer to a QROPS, or an onward transfer, would (but for this section) be excluded from the overseas transfer charge by any of sections 244B to 244F.

(2) The transfer is not excluded from the charge if the member has, in connection with the transfer, failed to comply with the relevant information regulation.

(3) In subsection (2) "the relevant information regulation" means whichever of the following is applicable—

(a) regulation 11BA of the Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567), or any regulation having effect in place of any of that regulation, as (in either case) from time to time amended, and

(b) regulation 3AE of the Pension Schemes (Information Requirements for Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and

Corresponding Relief) Regulations 2006 (S.I. 2006/208), or any regulation having effect in place of any of that regulation, as (in either case) from time to time amended.

244J Persons liable to charge

(1) In the case of a recognised transfer to a QROPS, the persons liable to the overseas transfer charge are—

(a) the scheme administrator of the registered pension scheme from which the transfer is made, and

(b) the member,

and their liability is joint and several.

(2) In the case of an onward transfer, the persons liable to the overseas transfer charge are—

(a) the scheme manager of the QROPS, or former QROPS, from which the transfer is made, and

(b) the member,

and their liability is joint and several.

(3) Subsections (1) and (2) are subject to subsection (4), and subsections (2) and (4) are subject to subsection (5).

(4) If a transfer is one required by section 244B or 244C to be initially assumed to be excluded by that section but an event occurring before the end of the relevant period means that the transfer is not so excluded, the persons liable to the overseas transfer charge in the case of the transfer are—

(a) the scheme manager of any QROPS, or former QROPS, under which the member has, at the time of the event, ring-fenced transfer funds in which any of the sums and assets referred to in section 244K(6) in the case of the transfer are represented, and

(b) the member,

and their liability is joint and several.

(5) The scheme manager of a former QROPS is liable to the overseas transfer charge in the case of a transfer ("the transfer concerned") only if the former QROPS—

(a) was a QROPS when a relevant inward transfer was made, and

(b) where a relevant inward transfer was made before 9 March 2017, was a QROPS at the start of 9 March 2017;

and here "relevant inward transfer" means a recognised or onwards transfer to the former QROPS (at a time when it was a QROPS) of sums and assets which, to any extent, are represented by sums or assets transferred by the transfer concerned.

(6) A person is liable to the overseas transfer charge whether or not—

(a) that person, and

(b) any other person who is liable to the charge,

are resident or domiciled in the United Kingdom.

244K Amount of charge

(1) Where the overseas transfer charge arises in the case of a transfer, the charge is 25% of the transferred value.

(2) If the transfer is from a registered pension scheme established in the United Kingdom, the transferred value is the total of—

(a) the amount of any sums transferred, and

(b) the value of any assets transferred,

but this is subject to subsections (5) to (9).

(3) If the transfer is from a registered pension scheme established in a country or territory outside the United Kingdom, the transferred value is the total of—

(a) the amount of any sums transferred that are attributable to UK-relieved funds of the scheme, and

(b) the value of any assets transferred that are attributable to UK-relieved funds of the scheme,

but this is subject to subsections (5) to (9).

(4) If the transfer is from a QROPS or former QROPS, the transferred value is the total of—

(a) the amount of any sums transferred that are attributable to the member's ring-fenced transfer funds under the scheme, and

(b) the value of any assets transferred that are attributable to the member's ring-fenced transfer funds under the scheme,

but this is subject to subsections (5) to (9).

(5) If the lifetime allowance charge arises in the case of the transfer and is to be deducted from the transfer, paragraphs (a) and (b) of subsections (2) to (4) are to be read as referring to what is to be transferred after deduction of the lifetime allowance charge.

(6) If the transfer is one initially assumed to be excluded by section 244B or 244C but an event occurring before the end of the relevant period means that the transfer is not so excluded, the sums and assets mentioned in whichever of subsections (2) to (4) is applicable include only those that at the time of the event are represented in any of the member's ring-fenced transfer funds under any QROPS or former QROPS.

(7) If the operator pays the charge on the transfer and does so—

(a) otherwise than by deduction from the transfer, and

(b) out of sums and assets held for the purposes of, or representing accrued rights under, the scheme from which the transfer is made,

the transferred value is the amount given by subsections (2) to (6) grossed up by reference to the rate specified in subsection (1).

(8) If the operator pays the charge on the transfer and does so by deduction from the transfer, the transferred value is the amount given by subsections (2) to (6) before the deduction.

(9) If the member pays the charge on the transfer, the transferred value is the amount given by subsections (2) to (6) without any deduction for the charge.

(10) If the lifetime allowance charge arises in the case of the transfer, the provisions of this Part relating to the lifetime allowance charge apply (whether or not in relation to the transfer) as if the overseas transfer charge did not arise in the case of the transfer.

(11) In this section—

"the operator" means—

(a) the scheme administrator of the scheme from which the transfer is to be made if that scheme is a registered pension scheme, or

(b) the scheme manager of the scheme from which the transfer is to be made if that scheme is a QROPS or former QROPS;

"UK-relieved funds", in relation to a registered pension scheme established in a country or territory outside the United Kingdom, has the meaning given by section 242B.

244L Accounting for overseas transfer charge by scheme managers

(1) In this section "charge" means overseas transfer charge for which the scheme manager of a QROPS or former QROPS is liable.

(2) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision for or in connection with—

(a) the payment of charge, including due dates for payment,

(b) the charging of interest on charge not paid on or before its due date,

(c) notification by the scheme manager of errors in information provided by the scheme manager to the Commissioners in connection with charge or the scheme manager's liability for overseas transfer charge,

(d) repayments to scheme managers under section 244M of amounts paid by way of charge, and

(e) the making of assessments, repayments or adjustments in cases where the correct amount of charge has not been paid by the due date for payment of the charge.

(3) The regulations may, in particular—

(a) modify the operation of any provision of the Tax Acts, or

(b) provide for the application of any provision of the Tax Acts (with or without modification).

244M Repayments of charge on subsequent excluding events

(1) This section applies if—

(a) overseas transfer charge arose on a transfer at the time the transfer was made, and

(b) at a time during the relevant period for the transfer, circumstances arise such that, had those circumstances existed at the time the transfer was made, the transfer would at the time it was made have been excluded from the charge by sections 244B to 244F or under section 244H.

(2) Any amount paid in respect of charge on the transfer is to be repaid by the Commissioners for Her Majesty's Revenue and Customs so far as not already repaid.

(3) Subsection (2) does not give rise to entitlement to repayment of, or cancellation of liabilities to, interest or penalties in respect of late payment of charge on the transfer.

(4) Repayment under this section to the scheme administrator of a registered pension scheme, or the scheme manager of a QROPS or former QROPS, is conditional on prior compliance with any requirements to give information to the Commissioners, about the circumstances in which the right to the repayment arises, that are imposed on the prospective recipient under section 169 or 251 (but repayment is not conditional on compliance with any time limits so imposed for compliance with any such requirements).

(5) Repayment under this section is not a relievable pension contribution.

(6) Where—

(a) an amount is repaid under this section to the scheme administrator of a registered pension scheme, and

(b) there is a recognised transfer from that scheme to a QROPS of some or all of that amount,

that transfer is not benefit crystallisation event 8 in relation to the member (but this does not affect the amount crystallised by the benefit crystallisation event consisting of the making of the transfer mentioned in subsection (1)).

(7) Repayment under this section to the member is conditional on making a claim, and such a claim must be made no later than one year after the end of the relevant period for the transfer concerned.

(8) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision for or in connection with claims or repayments under this section, including provision—

(a) requiring claims,

(b) about who may claim,

(c) imposing conditions for making claims, including conditions about time limits,

(d) as to additional circumstances in which repayments may be made,

(e) modifying the operation of any provision of the Tax Acts, or

(f) applying any provision of the Tax Acts (with or without modifications).

244N Discharge of liability of scheme administrator or manager

(1) In this section "operator" means—

(a) the scheme administrator of a registered pension scheme, or

(b) the scheme manager of a QROPS or former QROPS.

(2) If an operator is liable under section 244J, the operator may apply to an officer of Revenue and Customs for the discharge of the operator's liability on the following ground.

(3) The ground is that—

(a) the operator reasonably believed that there was no liability to the offshore transfer charge on the transfer concerned, and

(b) in all the circumstances of the case, it would not be just and reasonable for the operator to the charge on the transfer.

(4) On receiving an application under subsection (2), an officer of Revenue and Customs must decide whether to discharge the operator's liability.

(5) An officer of Revenue and Customs must notify the operator of the decision on the application.

(6) The discharge of the operator's liability does not affect the liability of any other person to overseas transfer charge on the transfer concerned.

(7) The Commissioners for Her Majesty's Revenue and Customs may by regulations make provision supplementing this section, including provision for time limits for making an application under this section."

(30) Part 4 of the Finance Act 2004 is further amended as follows.

(31) Section 169 (recognised transfers, and definition and obligations of a QROPS) is amended as follows.

(32) In subsection (2) (what makes a recognised overseas pension scheme a QROPS), after paragraph (b) insert—

"(ba) the scheme manager has confirmed to an officer of Revenue and Customs that the scheme manager understands the scheme manager's potential liability to overseas transfer charge and has undertaken to such an officer to operate the charge including by meeting the scheme manager's liabilities to the charge,".

(33) After subsection (2) insert—

"(2A) Regulations may make provision as to—

(a) information that is to be included in, or is to accompany, a notification under subsection (2)(a);

(b) the way and form in which such a notification, or any required information or evidence, is to be given or provided."

(34) After subsection (4) insert—

"(4ZA) Regulations may require a member, or former member, of a QROPS or former QROPS to give information of a prescribed description to the scheme manager of a QROPS or former QROPS."

(35) In subsection (4A) (inclusion of supplementary provision in regulations under subsection (4)), after "(4)" insert "or (4ZA)".

(36) After subsection (4B) insert—

"(4C) Provision under subsection (2A)(b) or (4A)(a) may, in particular, provide for use of a way or form specified by the Commissioners."

(37) After subsection (7) insert—

"(7A) Regulations may, in a case where—

(a) any of the sums and assets transferred by a relevant overseas transfer represent rights in respect of a pension to which a person has become entitled under the transferring scheme ("the original pension"), and

(b) those sums and assets are, after the transfer, applied towards the provision of a pension under the other scheme ("the new pension"),

provide that the new pension is to be treated, to such extent as is prescribed and for such of the purposes of this Part as are prescribed, as if it were the original pension.

(7B) For the purposes of subsection (7A), a "relevant overseas transfer" is a transfer of sums or assets held for the purposes of, or representing accrued rights under, a relevant overseas scheme ("the transferring scheme") so as to become held for the purposes of, or to represent rights under—

(a) another relevant overseas scheme, or

(b) a registered pension scheme,

in connection with a member of that pension scheme.

(7C) In subsection (7B) "relevant overseas scheme" means—

(a) a QROPS, or

(b) a relevant non-UK scheme (see paragraph 1(5) of Schedule 34).

(7D) Regulations under subsection (7A) may—

(a) apply generally or only in specified cases, and

(b) make different provision for different cases."

(38) In subsection (8) (interpretation)—

(e) in the opening words, after "subsections (4) to (6)" insert ", (7A) to (7D)", and

(f) in the definition of "relevant requirement", at the end insert ", or

(c) a requirement to pay overseas transfer charge, or interest on overseas transfer charge, imposed by regulations under section 244L(2) or by an assessment under such regulations."

(39) After Chapter 5 insert—

"CHAPTER 5A

REGISTERED PENSION SCHEMES ESTABLISHED OUTSIDE THE UNITED KINGDOM

242A Meaning of "non-UK registered scheme"

In this Chapter "non-UK registered scheme" means a registered pension scheme established in a country or territory outside the United Kingdom.

242B Meaning of "UK-relieved funds"

(1) For the purposes of this Chapter, the "UK-relieved funds" of a non-UK registered scheme are sums or assets held for the purposes of, or representing accrued rights under, the scheme—

(a) that (directly or indirectly) represent sums or assets that at any time were held for the purposes of, or represented accrued rights under, a registered pension scheme established in the United Kingdom,

(b) that (directly or indirectly) represent sums or assets that at any time formed the UK tax-relieved fund under a relevant non-UK scheme of a relieved member of that scheme, or

(c) that—

(i) are held for the purposes of, or represent accrued rights under, an arrangement under the scheme relating to a member of the scheme who on any day has been an accruing member of the scheme, and

(ii) in accordance with regulations made by the Commissioners for Her Majesty's Revenue and Customs, are to be taken to have benefited from relief from tax.

(2) In section 242B "relevant contribution" has the meaning given by regulation 14ZB(8) of the Information Regulations.

(3) Paragraphs (7) and (8) of regulation 14ZB of the Information Regulations (meaning of "accruing member") apply for the purposes of this section as for those of that regulation.

(4) "The Information Regulations" means the Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567)."

(40) In section 254(6) (regulations about accounting for tax by scheme administrators), after paragraph (b) insert—

"(ba) repayments under section 244M to scheme administrators,".

(41) In section 255(1) (power to make provision for assessments), after paragraph (d) insert—

"(da) liability of the scheme administrator of a registered pension scheme, or the scheme manager of a qualifying recognised overseas pension scheme or of a former such scheme, to the overseas transfer charge,".

(42) In section 269(1)(a) (appeal against decision on discharge of liability), before "section 267(2)" insert "section 244N (discharge of liability to overseas transfer charge),".

(43) In section 9(1A) of the Taxes Management Act 1970 (tax not within the scope of self-assessment), after paragraph (a) insert—

"(aa) is chargeable, on the scheme manager of a qualifying recognised overseas pension scheme or a former such scheme, under Part 4 of the Finance Act 2004,".

(44) In Schedule 56 to the Finance Act 2009 (penalty for failure to make payments on time), in the Table in paragraph 1, after the entry for item 3 insert—

"3A	Income tax	Amount payable under regulations under section 244L(2)(a) of FA 2004	The date falling 30 days after the due date determined by or under the regulations"

(45) In regulation 3(1) of the Registered Pension Schemes (Accounting and Assessment) Regulations 2005 (S.I. 2005/3454), in Table 1, at the end insert—

"Charge under section 244A (overseas transfer charge).	1. The name, date of birth and national insurance number of each individual in whose case a transfer results in the scheme administrator becoming liable to the overseas transfer charge. 2. The date, and transferred value, of each transfer. 3. The reference number of the qualifying recognised overseas pension scheme to which each transfer is made. 4. The amount of tax due in respect of each transfer."

(46) The amendment made by paragraph (45) of this Resolution is to be treated as having been made by the Commissioners for Her Majesty's Revenue and Customs under the applicable powers to make regulations conferred by section 254 of the Finance Act 2004.

(47) The Pension Schemes (Information Requirements for Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and Corresponding Relief) Regulations 2006 (S.I. 2006/208) are amended as follows.

(48) In regulation 1(2) (interpretation), after the definition of "HMRC" insert—

""onward transfer" has the meaning given by section 244A;".

(49) In regulation 3(2) (duty to provide information to HMRC)—

(a) in sub-paragraph (c), after "no relevant transfer fund remains" insert "and no ring-fenced transfer funds remain", and

(b) after sub-paragraph (d) insert—

"(da) if the payment is made to a QROPS—

(i) whether the overseas transfer charge arises on the payment,

(ii) if the charge does arise, the transferred value and the amount of charge the scheme manager deducted from the payment before making it,

(iii) if the charge does not arise, why it does not, and

(iv) the total amount or value of the member's relevant transfer fund, and ring-fenced transfer funds, remaining immediately after the payment;".

(50) In regulation 3, after paragraph (2) insert—

"(2A) Paragraphs (2B) and (2C) apply where—

(a) a recognised transfer is made to a QROPS, or

(b) an onward transfer is made by a QROPS or former QROPS.

(2B) Where an event occurring before the end of the relevant period for the transfer (see section 244A(4)) means that the transfer no longer counts as excluded from the overseas transfer charge or that entitlement to repayment under section 244M arises, the scheme manager of the QROPS

or former QROPS must, within 90 days after the date the scheme manager is notified of the event, provide to HMRC notification of—

(a) the occurrence, nature and date of the event,

(b) the transferred value of the transfer,

(c) the amount of overseas transfer charge on the transfer,

(d) whether, and to what extent, the scheme manager has accounted, or intends to account, for the charge, and

(e) the total amount or value of the member's relevant transfer fund, and ring-fenced transfer funds, remaining immediately after the event.

This paragraph is subject to the qualification in paragraph (3A).

(2C) Where the scheme manager of the QROPS or former QROPS becomes aware that the member has at any time in the relevant period for the transfer acquired a new residential address that is neither—

(a) in the country or territory in which the QROPS or former QROPS is established, nor

(b) in an EEA state,

the scheme manager is to notify that address to HMRC within 3 months after the date on which the scheme manager becomes aware of it."

(51) In regulation 3, after paragraph (3) insert—

"(3A) No obligation arises under paragraph (2B) in relation to a transfer if the following conditions are met—

(a) at the date of the transfer more than 10 years has elapsed since the key date for the ring-fenced transfer fund arising from the transfer (see paragraph 1 of Schedule 34); and

(b) the relevant member to whom the transfer is made is a person to whom the member payment provisions do not apply."

(52) In regulation 3(6), in the definition of "relevant member", after "relevant transfer fund" insert "or any ring-fenced transfer fund".

(53) In regulation 3AB(4), for the words from "as a result" to the end substitute "as a result of—

(a) a transfer of the member's relevant transfer fund,

(b) a transfer of any of the member's ring-fenced transfer funds, or

(c) a recognised transfer,

after the date of the relevant event concerned."

(54) In regulation 3AC—

(a) in paragraph (1)(a), before the "or" at the end of paragraph (i) insert—

"(ia) any of the member's ring-fenced transfer funds;", and

(b) in the title omit "relevant".

(55) In regulation 3AD—

(a) in paragraph (1)(a), before the "or" at the end of paragraph (i) insert—

"(ia) any of the member's ring-fenced transfer funds;",

(b) in paragraph (2), after sub-paragraph (a) insert—

"(aa) where any of the transferred sums or assets are referable to the member's UK-tax relieved fund, the value of so many of them as are referable to tax-relieved

contributions, or tax-exempt provision, made under the scheme before 9 March 2017;

(ab) the value of so many of the transferred sums or assets as are referable to any of the member's ring-fenced transfer funds (if any);",

(c) in paragraph (2)(b) omit the "and" at the end,

(d) in paragraph (2)(c)(i), after "fund" insert "or any of the member's ring-fenced transfer funds",

(e) in paragraph (2)(c), in the words after paragraph (ii)—

(i) omit "it is", and

(ii) after "the date of that transfer" insert "and the date it was requested",

(f) in paragraph (2), after sub-paragraph (c) insert—

"(d) whether the overseas transfer charge arises on the transfer;

(e) if the charge does arise on the transfer—

(i) the transferred value of the transfer, and

(ii) the amount in respect of the charge deducted by the scheme manager from the transfer;

(f) if the transfer is excluded from the charge—

(i) the reason for its exclusion, and

(ii) where section 244G(2)(a) or (b) (charge paid on earlier transfer) is the reason for its exclusion, the date of the earlier transfer on which the charge was paid and the amount of charge paid on that earlier transfer; and.", and

(g) the relevant period for the transfer (see section 244A(4)).", and

(g) in the title omit "relevant".

(56) After regulation 3AD insert—

"3AE Information provided by member to QROPS: onward transfers

(1) Paragraph (4) applies where a member of a QROPS or former QROPS makes a request to the scheme manager to make an onward transfer to a QROPS.

(2) But paragraph (4) does not apply if—

(a) the transfer will be excluded from the overseas transfer charge by section 244G, or

(b) the transfer will take after the end of the relevant period (see section 244A(4)) for what would be the original transfer in relation to the requested onward transfer.

(3) In this regulation "original transfer", in relation to an onward transfer, has the meaning given by section 244A(5).

(4) The member must provide to the scheme manager—

(a) the member's name, date of birth and principal residential address,

(b) if the member is not UK resident for income tax purposes, the date when the member last ceased to be UK resident for those purposes,

(c) the member's national insurance number or, where applicable, confirmation that the member does not qualify for a national insurance number,

(d) the name and address of the QROPS to which the transfer is to be made,

(e) the country or territory under the law of which that QROPS is established and regulated,

(f) the reference number, if any, given by the Commissioners for that QROPS,

(g) whether the member knows for certain that the transfer would be excluded from the overseas transfer charge by one of sections 244D, 244E and 244F, and if the member does know that for certain—

(i) the section concerned (if known),

(ii) the name and address of the member's employer whose connection with the QROPS gives rise to exclusion of the transfer from the charge,

(iii) the member's job title as an employee of that employer,

(iv) the date the member's employment with that employer began, and

(v) if known, that employer's tax reference for that employment, and

(h) the member's acknowledgement in writing that the member—

(i) is aware that an onward transfer to a qualifying recognised overseas pension scheme may give rise to a liability to overseas transfer charge, and

(ii) is aware of the circumstances in which liability arises, in which liability is excluded from the outset and in which liability is excluded only if conditions continue to be met over a period of time.

(5) The information specified in paragraph (4) must be provided within 60 days beginning with the day the transfer request is made.

(6) The scheme manager must send the member notification of the requirements specified in this regulation within 30 days beginning with that day.

3AF Provision of information about liability for overseas transfer charge

(1) If an onward transfer is made from a QROPS or former QROPS and the overseas transfer charge arises on the transfer, the scheme manager of the QROPS or former QROPS must within 90 days after the date of the transfer provide the member with a notice stating—

(a) the date of the transfer,

(b) that overseas transfer charge arises on the transfer,

(c) the transferred value of the transfer,

(d) the amount of the charge on the transfer,

(e) whether, and to what extent, the scheme manager has accounted, or intends to account, for the charge, and

(f) where the scheme manager has accounted for the charge, the date the scheme manager did so.

(2) If an onward transfer is made from a QROPS or former QROPS and the transfer is excluded from the overseas transfer charge by or under sections 244B to 244H, the scheme manager of the QROPS or former QROPS must within 90 days after the date of the transfer provide the member with a notice stating—

(a) the date of the transfer,

(b) that the transfer is excluded from the overseas transfer charge,

(c) the provision by reason of which the transfer is excluded, and

(d) where that provision is section 244B or 244C—

(i) when the relevant period for the transfer ends, and

(ii) how the transfer may turn out not to be excluded as a result of the member changing country or territory of residence within the relevant period for the transfer.

(3) Paragraph (4) applies if—

(a) a recognised transfer is made to a QROPS, or

(b) an onward transfer is made by a QROPS or former QROPS.

(4) Where an event occurring before the end of the relevant period for the transfer (see section 244A(4)) means that the transfer no longer counts as excluded from the overseas transfer charge or that entitlement to repayment under section 244M arises, the scheme manager of the QROPS or former QROPS must, within 90 days after the date the scheme manager is notified of the event, provide the member with a notice stating—

(a) the amount of overseas transfer charge on the transfer,

(b) whether, and to what extent, the scheme manager has accounted, or intends to account, for the charge, and

(c) where the scheme manager has accounted for the charge, the date the scheme manager did so.

3AG Accounting for overseas transfer charge on onward transfers

(1) Paragraph (2) applies where—

(a) overseas transfer charge arises on an onward transfer from a QROPS or former QROPS,

(b) the scheme manager has notified HMRC of the transfer or, where applicable, of the event triggering payability of the charge on the transfer, and

(c) HMRC have provided the scheme manager with an accounting reference for paying the charge on the transfer.

(2) The scheme manager must pay the charge to HMRC using the accounting reference.

(3) Payment of the charge is due at the end of the 91 days beginning with the date of issue of the accounting reference.

3AH Assessments of unpaid overseas transfer charge on onward transfers

(1) Where the correct amount of overseas transfer charge due from a scheme manager under regulation 3AG on an onward transfer has not

been paid by the time it is due, an officer of Revenue and Customs must issue an assessment to tax to the scheme manager.

(2) Tax assessed under this regulation is payable within 30 days after the issue of the notice of assessment.

3AI Interest on overdue overseas transfer charge

(1) Tax which—

(a) becomes due and payable in accordance with regulation 3AG, or

(b) is assessed under regulation 3AH,

carries interest at the prescribed rate from the due date under regulation 3AG until payment ("the interest period").

(2) Paragraph (1) applies even if the due date is a non-business day as defined by section 92 of the Bills of Exchange Act 1882.

(3) The "prescribed rate" means the rate applicable under section 178 of the Finance Act 1989 for the purposes of section 86 of TMA.

(4) Any change made to the prescribed rate during the interest period applies to the unpaid amount from the date of the change.

3AJ Adjustments, repayments and interest on overpaid charge

(1) If the correct tax due under regulation 3AG has not been paid on or before the due date, an officer of Revenue and Customs may make such adjustments or repayments as may be required for securing that the resulting liabilities to tax (including interest on unpaid or overpaid tax) whether of the scheme manager or of any other person are the same as they would have been if the correct tax had been paid.

(2) Tax overpaid which is repaid to the scheme manager or any other person carries interest at the prescribed rate from the later of the due date and the date on which the tax was paid until the date of repayment ("the interest period").

(3) The "prescribed rate" means the rate applicable under section 178 of the Finance Act 1989 for the purposes of section 824 of the Income and Corporation Taxes Act 1988.

(4) Any change to the prescribed rate during the interest period applies to the overpaid amount from the date of the change."

(57) In regulation 3B (information on cessation of a QROPS), after "relevant transfer fund", in both places, insert ", or ring-fenced transfer fund,".

(58) In regulation 3C (correction of information)—

(a) in paragraph (3)(a)(i), after "existence" insert "or, where the information relates to a ring-fenced transfer fund in respect of the relevant member, more than 10 years has elapsed beginning with the date on which that ring-fenced transfer fund came into existence", and

(b) in paragraph (3)(b), at the end insert "and there are no ring-fenced transfer funds".

(59) In regulation 5(1) (application of provisions providing for penalties)—

(a) after "3(2)," insert "(2B) or (2C),", and

(b) before "or 3C(1)" insert ", 3AE(6), 3AF".

(60) The amendments made by paragraphs (47) to (59) of this Resolution—

(a) are, so far as they insert new regulation 3AE(1) to (5), to be treated as having been made by the Commissioners for Her Majesty's Revenue and Customs under the powers to make regulations conferred by section 169(4ZA) of the Finance Act 2004,

(b) are, so far as they insert new regulations 3AE(6) and 3AF and amend regulations 3 to 3AD and 3B to 5, to be treated as having been made by the Commissioners under the powers to make regulations under section 169(4) of the Finance Act 2004 (see section 169(4), (4A), (4B) and (4C) of that Act), and

(c) are, so far as they insert new regulations 3AG to 3AJ, to be treated as having been made by the Commissioners under the applicable powers to make regulations conferred by section 244L of the Finance Act 2004.

(61) The Registered Pension Schemes (Transfers of Sums and Assets) Regulations 2006 (S.I. 2006/499) are amended as follows.

(62) In regulation 5, the existing text becomes paragraph (1), and after that paragraph insert—

"(2) In paragraph (1)(a) "administration costs" includes, in particular, payments of overseas transfer charge."

(63) The amendments made by paragraph (62) of this Resolution are to be treated as made by the Commissioners for Her Majesty's Customs and Revenue under the powers to make regulations conferred by paragraph 2(4)(h) of Schedule 28 to the Finance Act 2004.

(64) The Registered Pension Schemes (Provision of Information) Regulations 2006 (S.I. 2006/567) are amended as follows.

(65) In regulation 3(1) (provision of information by scheme administrators to HMRC), in column 2 of the entry in the Table for reportable event 9—

(a) after paragraph (g) insert—

"(ga) whether or not overseas transfer charge arises on the transfer;

(gb) if the transfer is excluded from the charge, the reason why it is excluded;

(gc) if the charge arises on the transfer—

(i) the transferred value, and

(ii) the amount in respect of the charge deducted from the transfer;", and

(b) after paragraph (h) insert—

"(ha) the reference number, if any, given by the Commissioners for the QROPS;".

(66) In regulation 3(7) (deadline for event report for reportable event 9), at the end insert "but, if the scheme administrator applies before the end of those 60 days for a repayment of overseas transfer charge on the transfer, the report must be delivered before the administrator applies for the repayment."

(67) In regulation 11BA(2) (information about transfer to be provided by member to scheme administrator)—

(a) in sub-paragraph (a), omit paragraphs (vi) and (vii), including the "and" at the end,

(b) after sub-paragraph (a) insert—

"(aa) the name and address of, and (if known) the reference number given by the Commissioners for, the qualifying recognised overseas pension scheme ("the QROPS");

(ab) the country or territory under the law of which the QROPS is established and regulated;

(ac) whether the member knows for certain that the transfer would be excluded from the overseas transfer charge by one of sections 244D, 244E and 244F, and if the member does know that for certain—

(i) the section concerned (if known),

(ii) the name and address of the member's employer whose connection with the QROPS gives rise to exclusion of the transfer from the charge,

(iii) the member's job title as an employee of that employer,

(iv) the date the member's employment with that employer began, and

(v) if known, that employer's tax reference for that employment;", and

(c) after sub-paragraph (b) insert "; and

(c) the member's acknowledgement in writing that the member—

(i) is aware that a recognised transfer to a qualifying recognised overseas pension scheme may give rise to a liability to overseas transfer charge, and

(ii) is aware of the circumstances in which liability arises, in which liability is excluded from the outset and in which liability is excluded only if conditions continue to be met over a period of time."

(68) After regulation 11BA insert—

"11BB Information provided by members to scheme administrators: potentially excluded transfers

(1) Paragraph (2) applies where—

(a) a recognised transfer is made by a registered pension scheme to a qualifying recognised overseas pension scheme, and

(b) the transfer is required by section 244B or 244C to be initially assumed to be excluded from the overseas transfer charge by that section.

(2) Each time during the relevant period for the transfer that the member—

(a) becomes resident in a country or territory, or

(b) ceases to be resident in a country or territory,

the member must, within 60 days after the date that happens, inform the scheme administrator of the registered pension scheme that it has happened."

(69) After regulation 12 insert—

"12A Provision of information about liability for overseas transfer charge

(1) If a recognised transfer is made by a registered pension scheme to a qualifying recognised overseas pension scheme and the overseas transfer charge arises on the transfer, the scheme administrator of the registered pension scheme must within 90 days after the date of the transfer provide the member with a notice stating—

(a) the date of the transfer,

(b) that overseas transfer charge arises on the transfer,

(c) the transferred value of the transfer,

(d) the amount of the charge on the transfer,

(e) whether, and to what extent, the scheme administrator has accounted, or intends to account, for the charge, and

(f) where the scheme administrator has accounted for the charge, the date the scheme administrator did so.

(2) If a recognised transfer is made by a registered pension scheme to a qualifying recognised overseas pension scheme and the transfer is excluded from the overseas transfer charge by or under sections 244B to 244H, the scheme administrator of the registered pension scheme must within 90 days after the date of the transfer provide the member with a notice stating—

(a) the date of the transfer,

(b) that the transfer is excluded from the overseas transfer charge,

(c) the provision by reason of which the transfer is excluded, and

(d) where that provision is section 244B or 244C, how the transfer may turn out not to be excluded as a result of the member changing country or territory of residence within the relevant period for the transfer.

(3) If overseas transfer charge on a transfer is repaid to the scheme administrator of a registered pension scheme, the scheme administrator must within 90 days after the date of the repayment provide the member with a notice stating—

(a) the date of the repayment,

(b) the amount of the repayment, and

(c) the reason for the repayment."

(70) After regulation 14ZC insert—

"14ZCA Further information provided by scheme administrators on recognised transfers to overseas schemes

(1) This regulation applies if there is a recognised transfer from a registered pension scheme to a qualifying recognised overseas pensions scheme.

(2) The scheme administrator of the registered pension scheme must provide the scheme manager of the qualifying recognised overseas pension scheme with a statement—

(a) stating whether or not the overseas transfer charge arose on the transfer, and

(b) stating—

(i) if the charge arose, the amount of the charge, and

(ii) if the transfer is excluded from the charge, the reason why it is excluded.

(3) The requirement under paragraph (2) is to be complied with before the end of the 31 days beginning with the date of the transfer.

(4) Paragraph (5) applies if overseas transfer charge on the transfer is repaid to the scheme administrator of the registered pension scheme.

(5) The scheme administrator of the registered pension scheme must provide the scheme manager of the qualifying recognised overseas pension scheme with—

(a) a copy of the statement under paragraph (2),

(b) a statement that the original statement is inaccurate and that the overseas transfer charge on the transfer has been repaid to the scheme administrator, and

(c) the reason why the transfer is excluded from the charge.

(6) The requirement under paragraph (5) is to be complied with before the end of the 31 days beginning with the date of the repayment."

(71) The amendments made by paragraphs (64) to (70) of this Resolution are to be treated as made by the Commissioners for Her Majesty's Revenue and Customs under the applicable powers to make regulations conferred by section 251 of the Finance Act 2004.

(72) Subject to paragraphs (73) to (75) of this Resolution, the amendments made by paragraphs (29) to (70) of this Resolution have effect in relation to transfers made on or after 9 March 2017.

(73) The new section 169(2)(ba) of the Finance Act 2004—

(a) has effect on and after 9 March 2017 in the case of a recognised overseas pension scheme where—

(i) the notification mentioned in section 169(2)(a) of the Finance Act 2004 (notification that scheme is a recognised overseas pension scheme) is given on or after 9 March 2017, or

(ii) although that notification is given before 9 March 2017, the letter from the Commissioners for Her Majesty's Revenue and Customs advising the scheme of the reference number allocated to the scheme is dated on or after 9 March 2017, and

(b) has effect on and after 14 April 2017 in the case of a recognised overseas pension scheme where that letter is dated before 9 March 2017.

(74) The other amendments in section 169 of the Finance Act 2004, and the amendment in section 255 of that Act, come into force on 9 March 2017.

(75) The amendments in regulation 3(2) of the Pension Schemes (Information Requirements for Qualifying Overseas Pension Schemes, Qualifying Recognised Overseas Pension Schemes and Corresponding Relief) Regulations 2006 have effect in relation to payments made on or after 9 March 2017; and the new regulation 3AE inserted into those Regulations, and the reference to the new regulation 3AE(6) inserted into regulation 5(1) of those Regulations, have effect in relation to requests made on or after 9 March 2017.

(76) Overseas transfer charge on transfers made in the period beginning with 9 March 2017 and ending with 30 June 2017 is, for the purposes of section 254 of the

Finance Act 2004, to be treated as charged in the 3 months ending with 30 September 2017.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

13. Trade and property business profits

That provision may be made about the calculation of profits of trades, professions, vocations and property businesses for the purposes of income tax.

14. Deduction of income tax at source

That—

(1) In Chapter 3 of Part 15 of the Income Tax Act 2007 (deduction of tax from certain payments of yearly interest), after section 888A insert—

"888B Designated dividends of investment trusts

The duty to deduct a sum representing income tax under section 874 does not apply to a dividend so far as it is treated as a payment of yearly interest by regulations under section 45 of FA 2009 (dividends designated by investment trust or prospective investment trust).

888C Interest distributions of certain open-ended investment companies

The duty to deduct a sum representing income tax under section 874 does not apply to a payment of yearly interest under section 373 of ITTOIA 2005 (in the case of certain open-ended investment companies, payments of yearly interest treated as made where distributable amount shown in accounts as yearly interest).

888D Interest distribution of certain authorised unit trusts

The duty to deduct a sum representing income tax under section 874 does not apply to a payment of yearly interest under section 376 of ITTOIA 2005 (in the case of certain authorised unit trusts, payments of yearly interest treated as made where distributable amount shown in accounts as yearly interest)."

(2) In section 45(2) of the Finance Act 2009 (provision that regulations may make about dividends of investment trusts) omit paragraph (c) (power to disapply duty to deduct tax under section 874 of the Income Tax Act 2007).

(3) In Chapter 3 of Part 15 of the Income Tax Act 2007 (deduction of tax from certain payments of yearly interest), after section 888D (inserted by this Resolution) insert—

"888E Interest on certain peer-to-peer lending

(1) The duty to deduct a sum representing income tax under section 874 does not apply to a payment of interest on an amount of peer-to-peer lending.

(2) In subsection (1) "peer-to-peer lending" means credit in relation to which the condition in subsection (4) is met.

(3) In this section—

"original borrower", in relation to any credit, means the person to whom the credit is originally provided,

"credit" includes a cash loan and any other form of financial accommodation, and

"original lender", in relation to any credit, means the person who originally provides the credit.

(4) The condition is that—

(a) the original borrower and the original lender enter the agreement under which the credit is provided at the invitation of a person ("the operator"),

(b) the operator makes the invitation in the course of, or in connection with, operating an electronic system,

(c) the operator's operation of the electronic system is an activity specified in article 36H(1) or (2D) of the Order (operating an electronic system in relation to lending), and

(d) the operator has permission under Part 4A of FISMA 2000 to carry on that activity.

(5) For the purposes of subsection (4), it does not matter if the agreement mentioned in subsection (4)(a) is not an article 36H agreement (as defined in article 36H of the Order).

(6) The Commissioners for Her Majesty's Revenue and Customs may by regulations make such amendments of the preceding provisions of this section as they consider appropriate in consequence of—

(a) the Order, or any part of it, being replaced (or further replaced) by provision in another instrument, or

(b) any amendment of the Order or any such other instrument.

(7) In this section "the Order" means the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 (S.I. 2001/544)."

(4) The new sections 888B to 888D of the Income Tax Act 2007, and the repeal of section 45(2)(c) of the Finance Act 2009, have effect in relation to amounts treated as payments of yearly interest made on or after 6 April 2017.

(5) The new section 888E of the Income Tax Act 2007 has effect in relation to payments of interest made on or after 6 April 2017.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

15. Gains from contracts for life insurance etc

That provision may be made amending Chapter 9 of Part 4 of the Income Tax (Trading and Other Income) Act 2005.

16. Venture capital trusts (exchange of non-qualifying shares and securities)

That provision may be made amending section 330 of the Income Tax Act 2007.

17. Social investment tax relief

That provision may be made about social investment tax relief.

18. The "no disqualifying arrangements requirement"

That provision may be made about the "no disqualifying arrangements requirement" for the purposes of the enterprise investment scheme, the seed enterprise investment scheme and venture capital trusts.

19. Business investment relief

That provision may be made about business investment relief in Chapter A1 of Part 14 of the Income Tax Act 2007.

20. Corporation tax relief for losses etc

That provision may be made about corporation tax relief for losses, deficits, expenses and other amounts.

21. Corporate interest restriction

That provision may be made about the amounts that may be brought into account for the purposes of corporation tax in respect of interest and other financing costs.

22. Profits arising from the exploitation of patents

That provision may be made amending Part 8A of the Corporation Tax Act 2010.

23. Trading profits taxable at the Northern Ireland rate

That provision may be made about the charge to corporation tax at the Northern Ireland rate on trading profits.

24. Chargeable gains

That provision may be made amending the Taxation of Chargeable Gains Act 1992.

25. Domicile

That provision may be made for tax purposes—

(a) deeming individuals to be domiciled in the United Kingdom, and

(b) in relation to settlements with a settlor domiciled outside the United Kingdom at any time.

26. Value of certain benefits

That provision may be made about the value of benefits for the purposes of Chapter 2 of Part 13 of the Income Tax Act 2007 or Chapter 5 of Part 5 of the Income Tax (Trading and Other Income) Act 2005.

27. Inheritance tax (overseas property)

That provision may be made for inheritance tax purposes about overseas assets with value attributable to residential property in the United Kingdom.

28. Employee shareholder shares

That provision (including provision having retrospective effect) may be made about the treatment for tax purposes of employee shareholder shares.

29. Employment income provided through third parties

That—

(1) Part 7A of the Income Tax (Earnings and Pensions) Act 2003 is amended as follows.

(2) In section 554A(2) (meaning of "relevant step"), at the end insert "(including such a step where the taking of the step, or some aspect of the taking of the step, constitutes a breach of trust or is a constituent part of a breach of trust, and even if the step or aspect is void as a result of breach of trust)."

(3) Section 554C (relevant steps: payment of sum, transfer of asset etc.) is amended as follows.

(4) In subsection (1), after paragraph (a) insert—

"(aa) acquires a right to a payment of a sum of money, or to a transfer of assets, where there is a connection (direct or indirect) between the acquisition of the right and—

(i) a payment made, by way of a loan or otherwise, to a relevant person, or

(ii) a transfer of assets to a relevant person,

(ab) releases or writes off the whole or a part of—

(i) a loan made to a relevant person, or

(ii) an acquired right of the kind mentioned in paragraph (aa),".

(5) After subsection (3) insert—

"(3A) For the purposes of subsection (1) "loan" includes—

(a) any form of credit, and

(b) a payment that is purported to be made by way of a loan.

(3B) Subsection (3C) applies where a person ("T") acquires from another person ("L") (whether or not for consideration)—

(a) a right to payment of the whole or part of a loan where T is the person liable (at the time of the acquisition of the right) to repay the loan, or

(b) a right to payment of a sum of money, or to a transfer of assets, where T is the person liable (at the time of the acquisition of the right) to pay the sum, or transfer the assets.

(3C) L is to be treated for the purposes of subsection (1)(ab) as releasing—

(a) in a case within subsection (3B)(a), the loan or the relevant part of it;

(b) in a case within subsection (3B)(b), the right or the relevant part of it."

(6) In section 554A(4) (non-application of Chapter 2 where relevant step taken on or after A's death)—

(g) omit "within section 554B", and

(h) at the end insert "if—

(a) the relevant step is within section 554B, or

(b) the relevant step is within section 554C by virtue of subsection (1)(ab) of that section."

(7) After section 554O insert—

"554OA Exclusions: transfer of employment-related loans

(1) Chapter 2 does not apply by reason of a relevant step taken by a person ("P") if—

(a) the step is acquiring a right to payment of an amount equal to the whole or part of a payment made by way of a loan to a relevant person (the "borrower"),

(b) the loan, at the time it was made, was an employment-related loan,

(c) at the time the relevant step is taken, the section 180 threshold is not exceeded in relation to the loan,

(d) at the time the relevant step is taken, the borrower is an employee, or a prospective employee, of P, and

(e) there is no connection (direct or indirect) between the relevant step and a tax avoidance arrangement.

(2) For the purposes of this section, the section 180 threshold is not exceeded in relation to a loan if, at all times in the relevant tax year—

(a) the amount outstanding on the loan, or

(b) if two or more employment-related loans are made by the same employer, the aggregate of the amount outstanding on them,

does not exceed the amount specified at the end of section 180(2) (normal threshold for benefit of a loan to be treated as earnings).

(3) Subsection (4) applies if—

(a) two or more employment-related loans are made by the same employer, and

(b) during the relevant tax year, a person acquires a right to payment of an amount (the "transfer amount") equal to the whole or part of the payment made by way of any of the loans.

(4) The transfer amount is to be treated as an "amount outstanding" on that loan for the purposes of subsection (2)(b).

(5) In this section—

(a) "employment-related loan" has the same meaning as it has for the purposes of Chapter 7 of Part 3;

(b) "relevant tax year" means the tax year in which the relevant step is taken."

(8) In section 554Z(10)(b) (interpretation: relevant step which involves a sum of money), after "section 554C(1)(a)" insert "to (ab)".

(9) In section 554Z12(1) (relevant step taken after A's death etc.), after "554C" insert ", by virtue of subsection (1)(a) or (b) to (e) of that section,".

(10) For section 554Z5 (overlap with earlier relevant step) substitute—

"554Z5 Overlap with money or asset subject to earlier tax liability

(1) This section applies if there is overlap between—

(a) the sum of money or asset ("sum or asset P") which is the subject of the relevant step, and

(b) a sum of money or asset ("sum or asset Q") by reference to which, on an occasion that occurred before the relevant step is taken, A became subject to a liability for income tax ("the earlier tax liability").

(2) But this section does not apply where—

(a) the earlier tax liability arose by reason of a step within section 554B taken in a tax year before 6 April 2011, and

(b) the value of the relevant step is (or if large enough would be) reduced under paragraph 59 of Schedule 2 to FA 2011.

(3) Where either the payment condition or the liability condition is met, the value of the relevant step is reduced (but not below nil) by an amount equal to so much of the sum of money, or (as the case may be) the value of so much of the asset, as is within the overlap.

(4) The payment condition is that, at the time the relevant step is taken—

(a) the earlier tax liability has become due and payable, and

(b) either—

(i) it has been paid in full, or

(ii) the person liable for the earlier tax liability has agreed terms with an officer of Revenue and Customs for the discharge of that liability.

(5) The liability condition is that, at the time the relevant step is taken, the earlier tax liability is not yet due and payable.

(6) For the purposes of this section there is overlap between sum or asset P and sum or asset Q so far as it is just and reasonable to conclude that—

(a) they are the same sum of money or asset, or

(b) sum or asset P directly, or indirectly, represents sum or asset Q.

(7) Subsection (8) applies where—

(a) the earlier tax liability arose by virtue of the application of this Chapter by reason of an earlier relevant step (the "earlier relevant step"), and

(b) reductions were made under this section to the value of the earlier relevant step.

(8) Where this subsection applies, sum or asset P is treated as overlapping with any other sum of money or asset so far as the other sum of money or asset was treated as overlapping with sum or asset Q for the purposes of this section.

(9) In subsection (1)(b)—

(a) the reference to A includes a reference to any person linked with A, and

(b) the reference to a liability for income tax does not include a reference to a liability for income tax arising by reason of section 175 (benefit of taxable cheap loan treated as earnings).

(10) In subsection (3) the reference to the value of the relevant step is a reference to that value—

(a) after any reductions made to it under section 554Z4, this section or 554Z7, but

(b) before any reductions made to it under section 554Z6 or 554Z8.

(11) For the purposes of subsection (4)(b)(i) a person is not to be regarded as having paid any tax by reason only of making—

(a) a payment on account of income tax,

(b) a payment that is treated as a payment on account under section 223(3) of FA 2014 (accelerated payments), or

(c) a payment pending determination of an appeal made in accordance with section 55 of TMA 1970."

(11) Paragraph 59 of Schedule 2 to the Finance Act 2011 (transitional provision relating to Part 7A of the Income Tax (Earnings and Pensions) Act 2003) is amended in accordance with paragraphs (12) and (13).

(12) In sub-paragraph (1)(f), after "554Z4" insert "and 554Z6".

(13) In the opening words of sub-paragraph (2), after "554Z4" insert "and 554Z6".

(14) The amendments made by paragraphs (1) to (10) of this Resolution have effect in relation to relevant steps taken on or after 6 April 2017.

(15) The amendments made by paragraphs (11) to (13) of this Resolution have effect in relation to chargeable steps (as defined in paragraph 59 of Schedule 2 to the Finance Act 2011) taken on or after 6 April 2017.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

30. Disguised remuneration schemes

That—

(a) provision may be made amending—

(i) sections 38 and 866 of the Income Tax (Trading and Other Income) Act 2005, and

(ii) section 1290 of the Corporation Tax Act 2009;

(b) provision may be made about the income tax treatment of benefits arising in pursuance of an arrangement in connection with a trade.

31. Transactions in land in the United Kingdom

That provision may be made in relation to the amendments made by sections 76 to 80 of the Finance Act 2016.

32. Co-ownership authorised contractual schemes

That provision may be made about co-ownership authorised contractual schemes.

33. VAT (zero-rating of adapted motor vehicles etc)

That—

(1) In Schedule 8 to the Value Added Tax Act 1994 (zero-rating), Group 12 (drugs, medicines, aids for the handicapped etc) is amended as follows.

(2) For item 2A substitute—

"2A (1) The supply of a motor vehicle (other than a motor vehicle capable of carrying more than 12 persons including the driver) to a person ("P") if—

(a) the motor vehicle is a qualifying motor vehicle by virtue of paragraph (2) or (3),

(b) P is a disabled person to whom paragraph (4) applies, and

(c) the vehicle is supplied for domestic or P's personal use.

(2) A motor vehicle is a "qualifying motor vehicle" by virtue of this paragraph if it is designed to enable a person to whom paragraph (4) applies to travel in it.

(3) A motor vehicle is a "qualifying motor vehicle" by virtue of this paragraph if—

(a) it has been substantially and permanently adapted to enable a person to whom paragraph (4) applies to travel in it, and

(b) the adaptation is necessary to enable P to travel in it.

(4) This paragraph applies to a disabled person—

(a) who usually uses a wheelchair, or

(b) who is usually carried on a stretcher.

2B (1) The supply of a qualifying motor vehicle (other than a motor vehicle capable of carrying more than 12 persons including the driver) to a charity for making available, by sale or otherwise to a person to whom paragraph (3) applies, for domestic or the person's personal use.

(2) A motor vehicle is a "qualifying motor vehicle" for the purposes of this item if it is designed or substantially and permanently adapted to enable a disabled person to whom paragraph (3) applies to travel in it.

(3) This paragraph applies to a disabled person—

(a) who usually uses a wheelchair, or

(b) who is usually carried on a stretcher."

(3) In Schedule 8 to the Value Added Tax Act 1994, in Group 12—

(a) omit Note (5L), and

(b) before Note (6) insert—

"(5M) For the purposes of Notes (5N) to (5S), the supply of a motor vehicle is a "relevant supply" if it is a supply of goods (which is made in the United Kingdom).

(5N) In the case of a relevant supply of a motor vehicle to a disabled person ("the new supply"), items 2(f) and 2A do not apply if, in the period of 3 years ending with the day on which the motor vehicle is made available to the disabled person—

(a) a reckonable zero-rated supply of another motor vehicle has been made to that person, or

(b) that person has made a reckonable zero-rated acquisition, or reckonable zero-rated importation, of another motor vehicle.

(5O) If a relevant supply of a motor vehicle is made to a disabled person and—

(a) any reckonable zero-rated supply of another motor vehicle has previously been made to the person, or

(b) any reckonable zero-rated acquisition or importation of another motor vehicle has previously been made by the person,

the reckonable zero-rated supply or (as the case may be) reckonable zero-rated importation or acquisition is treated for the purposes of Note (5N) as not having been made if either of the conditions in Note (5P) is met.

(5P) The conditions mentioned in Note (5O) are that—

(a) at the time of the new supply (see Note (5N)) the motor vehicle mentioned in Note (5O)(a) or (b) is unavailable for the disabled person's use because—

(i) it has been stolen, or

(ii) it has been destroyed, or damaged beyond repair (accidentally, or otherwise in circumstances beyond the disabled person's control), or

(b) the Commissioners are satisfied that (at the time of the new supply) the motor vehicle mentioned in Note (5O)(a) or (b) has ceased to be suitable for the disabled person's use because of changes in the person's condition.

(5Q) In the case of a relevant supply of a motor vehicle to a disabled person, items 2(f) and 2A cannot apply unless the supplier—

(a) gives to the Commissioners, before the end of the period of 12 months beginning with the day on which the supply is made, any information and supporting documentary evidence that may be specified in a notice published by them, and

(b) in doing so complies with any requirements as to method set out in the notice.

(5R) In the case of a relevant supply of a motor vehicle to a disabled person, items 2(f) and 2A cannot apply unless, before the supply

is made, the person making the supply has been given a certificate in the required form which—

(a) states that the supply will not fall within Note (5N), and

(b) sets out any other matters, and is accompanied by any supporting documentary evidence, that may be required under a notice published by the Commissioners for the purposes of this Note.

(5S) The information that may be required under Note (5Q)(a) includes—

(a) the name and address of the disabled person and details of the person's disability, and

(b) any other information that may be relevant for the purposes of that Note,

(and the matters that may be required under Note (5R)(b) include any information that may be required for the purposes of Note (5Q)).

(5T) In Notes (5N) to (5S)—

"in the required form" means complying with any requirements as to form that may be specified in a notice published by the Commissioners;

"reckonable zero-rated acquisition", in relation to a motor vehicle, means an acquisition of the vehicle from another member State in a case where—

(a) VAT is not chargeable on the acquisition as a result of item 2(f) or 2A, and

(b) the acquisition takes place on or after 1 April 2017;

"reckonable zero-rated importation", in relation to a motor vehicle, means an importation of the vehicle from a place outside the member States in a case where—

(a) VAT is not chargeable on the importation as a result of item 2(f) or 2A, and

(b) the importation takes place on or after 1 April 2017;

"reckonable zero-rated supply", in relation to a motor vehicle, means a supply of the vehicle which—

(a) is a supply of goods,

(b) is zero-rated as a result of item 2(f) or 2A, and

(c) is made on or after 1 April 2017.

(5U) In items 2A and 2B references to design, or adaptation, of a motor vehicle to enable a person (or a person of any description) to travel in it are to be read as including a reference to design or, as the case may be, adaptation of the motor vehicle to enable the person (or persons of that description) to drive it."

(4) Section 62 of the Value Added Tax Act 1994 (incorrect certificates as to zero-rating etc) is amended as follows.

(5) After subsection (1A) insert—

"(1B) Where—

(a) a person gives a certificate for the purposes of Note (5R) to Group 12 of Schedule 8 with respect to a supply of a motor vehicle, and

(b) the certificate is incorrect,

the person giving the certificate is to be liable to a penalty."

(6) In subsection (2), at the end insert—

"(c) in a case where it is imposed by virtue of subsection (1B), the difference between—

(i) the amount of the VAT which would have been chargeable on the supply if the certificate had been correct, and

(ii) the amount of VAT actually chargeable."

(7) Schedule 8 to the Value Added Tax Act 1994 is amended as follows.

(8) In Part 1 (index to zero-rated supplies of goods and services)—

(a) in the entry relating to Group 12, for "handicapped" substitute "disabled";

(b) in the entry relating to Group 4, for "handicapped" substitute "disabled".

(9) In Group 4 (talking books for the blind and handicapped and wireless sets for the blind)—

(a) in item 1, for each occurrence of "handicapped" substitute "disabled";

(b) in the heading, for "handicapped" substitute "disabled".

(10) In Group 12 (drugs, medicines, aids for the handicapped etc)—

(a) in items 2 to 19 and Notes (1) and (5B) to (9), for each occurrence of "handicapped" substitute "disabled";

(b) for Note (3) substitute—

"(3) Any person who is chronically sick or disabled is "disabled" for the purposes of this Group.";

(c) in the heading, for "handicapped" substitute "disabled".

(11) In Group 15 (charities etc)—

(a) in item 5 and Notes (1C) to (4A), (5A) and (5B), for "handicapped" substitute "disabled";

(b) for Note (5) substitute—

"(5) Any person who is chronically sick or disabled is "disabled" for the purposes of this Group."

(12) The amendments made by this Resolution have effect in relation to supplies made, and acquisitions and importations taking place, on or after 1 April 2017.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

34. Insurance premium tax (standard rate)

That—

(1) In section 51(2)(b) of the Finance Act 1994 (standard rate of insurance premium tax), for "10 per cent" substitute "12 per cent".

(2) Subject to paragraph (3), the amendment made by paragraph (1) has effect in relation to a premium falling to be regarded for the purposes of Part 3 of the Finance Act 1994 as received under a taxable insurance contract by an insurer on or after 1 June 2017.

(3) That amendment does not have effect in relation to a premium falling within paragraph (4), unless the premium falls to be regarded for the purposes of Part 3 of the Finance Act 1994 as received under a taxable insurance contract by an insurer on or after 1 June 2018.

(4) A premium falls within this paragraph if it is in respect of a risk for which the period of cover begins before 1 June 2017.

(5) In the application of sections 66A and 66B of the Finance Act 1994 (anti-forestalling provision) in relation to the increase in insurance premium tax made by this Resolution, the announcement relating to that increase is to be taken to have been made on 8 March 2017 (and "the change date" is to be taken to be 1 June 2017).

(6) This Resolution is to be read with section 66C of the Finance Act 1994 (premiums relating to more than one period of cover).

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

35. Insurance premium tax (anti-forestalling provision)

That—

(1) The Finance Act 1994 is amended as follows.

(2) After section 66 insert—

"66A Rate increases: deemed date of receipt of certain premiums

(1) This section applies where a Minister of the Crown announces a proposed increase in the rate at which tax is to be charged on a premium if it is received by the insurer on or after a date specified in the announcement ("the change date").

(2) This section applies whether or not the announcement includes an announcement of a proposed exception from the increase (for example, for premiums in respect of risks for which the period of cover begins before the change date).

(3) Subsection (4) applies where—

(a) a premium under a contract of insurance is received by the insurer on or after the date of the announcement and before the change date, and

(b) the period of cover for the risk begins on or after the change date.

(4) For the purposes of this Part the premium is to be taken to be received on the change date.

(5) Subsection (6) applies where—

(a) a premium under a contract of insurance is received by the insurer on or after the date of the announcement and before the change date,

(b) the period of cover for the risk—

(i) begins before the change date, and

(ii) ends on or after the first anniversary of the change date ("the first anniversary"), and

(c) the premium, or any part of it, is attributable to such of the period of cover as falls on or after the first anniversary.

(6) For the purposes of this Part—

(a) so much of the premium as is attributable to such of the period of cover as falls on or after the first anniversary is to be taken to be received on the change date, and

(b) so much as is so attributable is to be taken to be a separate premium.

(7) In determining whether the condition in subsection (3)(a) or (5)(a) is met, regulations under section 68(3) or (7) apply as they would apart from this section.

(8) But where subsection (4) or (6) applies—

(a) that subsection has effect despite anything in section 68 or regulations under that section, and

(b) any regulations under section 68 have effect as if the entry made in the accounts of the insurer showing the premium as due to the insurer had been made as at the change date.

(9) A premium treated by subsection (6) as received on the change date is not to be taken to fall within any exception, from an increase announced by the announcement, for premiums in respect of risks for which the period of cover begins before the change date.

(10) Any attribution under this section is to be made on such basis as is just and reasonable.

(11) In this section—

"increase", in relation to the rate of tax, includes the imposition of a charge to tax by adding to the descriptions of contract which are taxable insurance contracts;

"Minister of the Crown" has the same meaning as in the Ministers of the Crown Act 1975.

66B Section 66A: exceptions and apportionments

(1) Section 66A(3) and (4) do not apply in relation to a premium if the risk to which that premium relates belongs to a class of risk as regards which the normal practice is for a premium to be received by or on behalf of the insurer before the date when cover begins.

(2) Section 66A(5) and (6) do not apply in relation to a premium if the risk to which that premium relates belongs to a class of risk as regards which the normal practice is for cover to be provided for a period of more than twelve months.

(3) If a contract relates to more than one risk, then in the application of section 66A(3) and (4) or 66A(5) and (6)—

(a) the reference in section 66A(3)(b) or (5)(b) to the risk is to be read as a reference to any given risk,

(b) so much of the premium as is attributable to any given risk is to be taken for the purposes of section 66A(3) and (4) or 66A(5) and (6) to be a separate premium relating to that risk,

(c) those provisions then apply separately in the case of each given risk and the separate premium relating to it, and

(d) any further attribution required by section 66A(5) and (6) is to be made accordingly,

and subsections (1) and (2) and section 66A(9) apply accordingly.

(4) Any attribution under this section is to be made on such basis as is just and reasonable.

66C Rate changes: premiums relating to more than one period of cover

(1) This section applies if any Act—

(a) makes an amendment of section 51(2)(a) or (b) which alters the higher rate or standard rate ("the relevant rate"),

(b) provides for the amendment to have effect in relation to a premium falling to be regarded for the purposes of this Part as received under a taxable insurance contract by an insurer on or after a particular date ("the change date"), and

(c) makes provision that excepts from that amendment a premium which is in respect of a risk for which the period of cover begins before the change date.

(2) Subsection (3) applies if a premium which is liable to tax at the relevant rate, and which falls to be regarded for the purposes of this Part as received under a taxable insurance contract by an insurer on or after the change date, is—

(a) partly in respect of a risk for which the period of cover begins before the change date, and

(b) partly in respect of a risk for which the period of cover begins on or after that date.

(3) So much of the premium as is attributable to the risk for which the period of cover begins on or after the change date is to be treated for the purposes of this Part and the provision mentioned in subsection (1)(c) as a separate premium.

(4) Where a premium is in respect of a relevant rate matter and also a matter that is not a relevant rate matter—

(a) for the purposes of the provision mentioned in subsection (1)(c), the premium is to be treated as in respect of a risk for which the period of cover begins before the change date if the part of it attributable to the relevant rate matter is in respect of such a risk, and

(b) the reference in subsection (2) to a premium which is liable to tax at the relevant rate is to be read as a reference to so much of the premium as is attributable to the relevant rate matter (and subsection (3) is to be read accordingly).

(5) If premiums of any description are excluded from the exception mentioned in subsection (1)(c), nothing in subsections (2) to (4) applies to a premium of that description.

(6) Nothing in subsection (4) applies to an excepted premium (within the meaning given by section 69A).

(7) Any attribution under this section is to be made on such basis as is just and reasonable.

(8) In this section a "relevant rate matter" means—

(a) where the relevant rate is the standard rate, a standard rate matter as defined by section 69(12)(c);

(b) where the relevant rate is the higher rate, a higher rate matter as defined by section 69(12)(d).

(9) In subsection (1) the reference to any Act includes a resolution which has statutory effect under the Provisional Collection of Taxes Act 1968."

(3) Omit—

(a) section 67 (spent transitional provision), and

(b) sections 67A to 67C (which are superseded by sections 66A and 66B inserted by paragraph (2)).

(4) The amendments made by paragraphs (2) and (3)(b) have effect on and after 8 March 2017.

(5) Despite the repeal by paragraph (3) of sections 67A and 67C of the Finance Act 1994, those sections continue to have effect so far as they apply to premiums received on or after 23 November 2016 and before 8 March 2017.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

36. Landfill tax

That provision may be made about landfill tax.

37. Air passenger duty (rates for 2017)

That—

(1) In section 30 of the Finance Act 1994 (air passenger duty: rates of duty), in subsection (4A) (long haul rates of duty)—

(a) in paragraph (a), for "£73" substitute "£75";

(b) in paragraph (b), for "£146" substitute "£150".

(2) The amendments made by this Resolution have effect in relation to the carriage of passengers beginning on or after 1 April 2017.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

38. Air passenger duty (rates for later years)

That provision may be made about the rates of air passenger duty.

39. Vehicle excise duty (rates for light passenger vehicles etc)

That—

(1) Schedule 1 to the Vehicle Excise and Registration Act 1994 (annual rates of duty) is amended as follows.

(2) In paragraph 1 (general rate of duty)—
  (a) in sub-paragraph (2) (vehicle not covered elsewhere in Schedule with engine cylinder capacity exceeding 1,549cc), for "£235" substitute "£245", and
  (b) in sub-paragraph (2A) (vehicle not covered elsewhere in Schedule with engine cylinder capacity not exceeding 1,549cc), for "£145" substitute "£150".

(3) In paragraph 1B (graduated rates of duty for light passenger vehicles)—
  (a) in the words before paragraph (a), for "tables" substitute "table",
  (b) in paragraph (a), at the end insert "and",
  (c) in paragraph (b), at the end omit ", and",
  (d) omit paragraph (c),
  (e) for Tables 1 and 2 substitute—

"CO_2 emissions figure		*Rate*	
(1)	*(2)*	*(3)*	*(4)*
Exceeding	*Not exceeding*	*Reduced rate*	*Standard rate*
g/km	*g/km*	*£*	*£*
100	110	10	20
110	120	20	30
120	130	105	115
130	140	125	135
140	150	140	150
150	165	180	190
165	175	210	220
175	185	230	240
185	200	270	280
200	225	295	305
225	255	510	520
255	—	525	535", and

  (f) in the sentence immediately following Table 2—
    (i) at the beginning, for "Table 2" substitute "The table", and

(ii) for paragraphs (a) and (b) substitute—

"(a) in column (3), in the last two rows, "295" were substituted for "510" and "525", and

(b) in column (4), in the last two rows, "305" were substituted for "520" and "535"."

(4) In paragraph 1J (VED rates for light goods vehicles), in paragraph (a), for "£230" substitute "£240".

(5) In paragraph 2(1) (VED rates for motorcycles)—

(a) in paragraph (a), for "£17" substitute "£18",

(b) in paragraph (b), for "£39" substitute "£41",

(c) in paragraph (c), for "£60" substitute "£62", and

(d) in paragraph (d), for "£82" substitute "£85".

(6) The amendments made by this Resolution have effect in relation to licences taken out on or after 1 April 2017.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

40. Alcoholic liquor duties (rates)

That—

(1) The Alcoholic Liquor Duties Act 1979 is amended as follows.

(2) In section 5 (rate of duty on spirits), for "£27.66" substitute "£28.74".

(3) In section 36(1AA) (rates of general beer duty)—

(a) in paragraph (za) (rate of duty on lower strength beer), for "£8.10" substitute "£8.42", and

(b) in paragraph (a) (standard rate of duty on beer), for "£18.37" substitute "£19.08".

(4) In section 37(4) (rate of high strength beer duty), for "£5.48" substitute "£5.69".

(5) In section 62(1A) (rates of duty on cider)—

(a) in paragraph (a) (rate of duty per hectolitre on sparkling cider of a strength exceeding 5.5%), for "£268.99" substitute "£279.46",

(b) in paragraph (b) (rate of duty per hectolitre on cider of a strength exceeding 7.5% which is not sparkling cider), for "£58.75" substitute "£61.04", and

(c) in paragraph (c) (rate of duty per hectolitre in any other case), for "£38.87" substitute "£40.38".

(6) For the table in Schedule 1 substitute—

"TABLE OF RATES OF DUTY ON WINE AND MADE-WINE

PART 1

WINE OR MADE-WINE OF A STRENGTH NOT EXCEEDING 22%

Description of wine or made-wine	*Rates of duty per hectolitre £*
Wine or made-wine of a strength not exceeding 4%	88.93
Wine or made-wine of a strength exceeding 4% but not exceeding 5.5%	122.30
Wine or made-wine of a strength exceeding 5.5% but not exceeding 15% and not being sparkling	288.65
Sparkling wine or sparkling made-wine of a strength exceeding 5.5% but less than 8.5%	279.46
Sparkling wine or sparkling made-wine of a strength of 8.5% or of a strength exceeding 8.5% but not exceeding 15%	369.72
Wine or made-wine of a strength exceeding 15% but not exceeding 22%	384.82

PART 2

WINE OR MADE-WINE OF A STRENGTH EXCEEDING 22%

Description of wine or made-wine	*Rates of duty per litre of alcohol in wine or made-wine £*
Wine or made-wine of a strength exceeding 22%	28.74".

(7) The amendments made by this Resolution come into force on 13 March 2017.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

41. Remote gaming duty

That provision may be made about remote gaming duty.

42. Tobacco products duty (rates)

That—

(1) The Tobacco Products Duty Act 1979 is amended as follows.

(2) For the table in Schedule 1 substitute—

"TABLE

1. Cigarettes	An amount equal to 16.5% of the retail price plus £207.99 per thousand cigarettes
2. Cigars	£259.44 per kilogram
3. Hand-rolling tobacco	£209.77 per kilogram
4. Other smoking tobacco and chewing tobacco	£114.06 per kilogram".

(3) The amendment made by this Resolution is treated as having come into force at 6pm on 8 March 2017.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

43. Tobacco products duty (minimum excise duty)

That—

(1) The Tobacco Products Duty Act 1979 is amended as follows.

(2) In section 6(5)(a) (alteration of rates of duty), for "the amount" substitute "each amount".

(3) For the first row in the table in Schedule 1 (as that table has effect under Resolution 42) substitute—

"1. Cigarettes	An amount equal to the higher of— (a) 16.5% of the retail price plus £207.99 per thousand cigarettes, or (b) £268.63 per thousand cigarettes."

(4) The amendments made by this Resolution come into force on 20 May 2017.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

44. Soft drinks industry levy

That provision may be made for a new tax to be charged in respect of soft drinks containing added sugar.

45. Promoters of tax avoidance schemes (threshold conditions etc)

That—

(1) In Part 2 of Schedule 34 to the Finance Act 2014 (meeting the threshold conditions: bodies corporate and partnerships), in paragraph 13A (interpretation), for sub-paragraphs (6) to (8) substitute—

"(6) Two or more persons together control a body corporate if together they have the power to secure that the affairs of the body corporate are conducted in accordance with their wishes in any way specified in sub-paragraph (5)(a) to (c).

(7) A person controls a partnership if the person is a member of the partnership and—

(a) has the right to a share of more than half the assets, or more than half the income, of the partnership, or

(b) directs, or is on a day-to-day level in control of, the management of the business of the partnership.

(8) Two or more persons together control a partnership if they are members of the partnership and together they—

(a) have the right to a share of more than half the assets, or of more than half the income, of the partnership, or

(b) direct, or are on a day-to-day level in control of, the management of the business of the partnership.

(9) Paragraph 19(2) to (5) of Schedule 36 (connected persons etc) applies to a person referred to in sub-paragraph (7) or (8) as if references to "P" were to that person.

(10) A person has significant influence over a body corporate or partnership if the person—

(a) does not control the body corporate or partnership, but

(b) is able to, or actually does, exercise significant influence over it (whether or not as the result of a legal entitlement).

(11) Two or more persons together have significant influence over a body corporate or partnership if together those persons—

(a) do not control the body corporate or partnership, but

(b) are able to, or actually do, exercise significant influence over it (whether or not as the result of a legal entitlement).

(12) References to a person being a promoter are to the person carrying on business as a promoter."

(2) In Part 2 of Schedule 34 to the Finance Act 2014, for paragraphs 13B to 13D substitute—

"Relevant bodies controlled etc by other persons treated as meeting a threshold condition

13B (1) A relevant body is treated as meeting a threshold condition at the relevant time if any of Conditions A to C are met.

(2) Condition A is that—

(a) a person met the threshold condition at a time when the person was a promoter, and

(b) the person controls or has significant influence over the relevant body at the relevant time.

(3) Condition B is that—

(a) a person met the threshold condition at a time when the person controlled or had significant influence over the relevant body,

(b) the relevant body was a promoter at that time, and

(c) the person controls or has significant influence over the relevant body at the relevant time.

(4) Condition C is that—

(a) two or more persons together controlled or had significant influence over the relevant body at a time when one of those persons met the threshold condition,

(b) the relevant body was a promoter at that time, and

(c) those persons together control or have significant influence over the relevant body at the relevant time.

(5) Where the person referred to in sub-paragraph (2)(a) or (3)(a) or (4)(a) as meeting a threshold condition is an individual, sub-paragraph (1) only applies if the threshold condition is a relevant threshold condition.

(6) For the purposes of sub-paragraph (2) it does not matter whether the relevant body existed at the time referred to in sub-paragraph (2)(a).

Persons who control etc a relevant body treated as meeting a threshold condition

13C (1) If at a time when a person controlled or had significant influence over a relevant body—

(a) the relevant body met a threshold condition, and

(b) the relevant body, or another relevant body which the person controlled or had significant influence over, was a promoter,

the person is treated as meeting the threshold condition at the relevant time.

(2) It does not matter whether any relevant body referred to sub-paragraph (1) exists at the relevant time.

Relevant bodies controlled etc by the same person treated as meeting a threshold condition

13D (1) If—

(a) a person controlled or had significant influence over a relevant body at a time when it met a threshold condition, and

(b) at that time that body, or another relevant body which the person controlled or had significant influence over, was a promoter,

any relevant body which the person controls or has significant influence over at the relevant time is treated as meeting the threshold condition at the relevant time.

(2) If—

(a) two or more persons together controlled or had significant influence over a relevant body at a time when it met a threshold condition, and

(b) at that time that body, or another relevant body which those persons together controlled or had significant influence over, was a promoter,

any relevant body which those persons together control or have significant influence over at the relevant time is treated as meeting the threshold condition at the relevant time.

(3) It does not matter whether—

(a) a relevant body referred to in sub-paragraph (1)(a) or (b) or (2)(a) or (b) exists at the relevant time, or

(b) a relevant body existing at the relevant time existed at the time referred to in sub-paragraph (1)(a) or (2)(a).”

(3) In Part 4 of Schedule 34A to the Finance Act 2014 (meeting section 237A conditions: bodies corporate and partnerships), for paragraphs 20 to 22 substitute—

“Relevant bodies controlled etc by other persons treated as meeting section 237A condition

20 (1) A relevant body is treated as meeting a section 237A condition at the section 237A(2) relevant time if any of Conditions A to C are met.

(2) Condition A is that—

(a) a person met the section 237A condition at a time when the person was a promoter, and

(b) the person controls or has significant influence over the relevant body at the section 237A(2) relevant time.

(3) Condition B is that—

(a) a person met the section 237A condition at a time when the person controlled or had significant influence over the relevant body,

(b) the relevant body was a promoter at that time, and

(c) the person controls or has significant influence over the relevant body at the section 237A(2) relevant time.

(4) Condition C is that—

(a) two or more persons together controlled or had significant influence over the relevant body at a time when one of those persons met the section 237A condition,

(b) the relevant body was a promoter at that time, and

(c) those persons together control or have significant influence over the relevant body at the section 237A(2) relevant time.

(5) Sub-paragraph (1) does not apply where the person referred to in sub-paragraph (2)(a), (3)(a), or (4)(a) as meeting a section 237A condition is an individual.

(6) For the purposes of sub-paragraph (2) it does not matter whether the relevant body existed at the time referred to in sub-paragraph (2)(a).

Persons who control etc a relevant body treated as meeting a section 237A condition

21 (1) If at a time when a person controlled or had significant influence over a relevant body—

(a) the relevant body met a section 237A condition, and

(b) the relevant body, or another relevant body which the person controlled or had significant influence over, was a promoter,

the person is treated as meeting the section 237A condition at the section 237A(2) relevant time.

(2) It does not matter whether any relevant body referred to sub-paragraph (1) exists at the section 237A(2) relevant time.

Relevant bodies controlled etc by the same person treated as meeting a section 237A condition

22 (1) If—

(a) a person controlled or had significant influence over a relevant body at a time when it met a section 237A condition, and

(b) at that time that body, or another relevant body which the person controlled or had significant influence over, was a promoter,

any relevant body which the person controls or has significant influence over at the section 237A(2) relevant time is treated as meeting the section 237A condition at the section 237A(2) relevant time.

(2) If—

(a) two or more persons together controlled or had significant influence over a relevant body at a time when it met a section 237A condition, and

(b) at that time that body, or another relevant body which those persons together controlled or had significant influence over, was a promoter,

any relevant body which those persons together control or have significant influence over at the section 237A(2) relevant time is treated as meeting the section 237A condition at the section 237A(2) relevant time.

(3) It does not matter whether—

(a) a relevant body referred to in sub-paragraph (1)(a) or (b) or (2)(a) or (b) exists at the section 237A(2) relevant time, or

(b) a relevant body existing at the section 237A(2) relevant time existed at the time referred to in sub-paragraph (1)(a) or (2)(a).”

(4) In Part 4 of Schedule 34A to the Finance Act 2014, in paragraph 23 (interpretation)—

(a) in sub-paragraph (1), for the definition of “control” substitute—

““control” and “significant influence” have the same meanings as in Part 4 of Schedule 34 (see paragraph 13A(5) to (11));

references to a person being a promoter are to the person carrying on business as a promoter;”;

(b) in sub-paragraph (2), for “20(1)(a), 21(1)(a) and 22(1)(a)” substitute “20 to 22”.

(5) The amendments made by paragraphs (1) and (2) have effect for the purposes of determining whether a person meets a threshold condition in a period of three years ending on or after 8 March 2017.

(6) The amendments made by paragraphs (3) and (4) have effect for the purposes of determining whether a person meets a section 237A condition in a period of three years ending on or after 8 March 2017.

(7) Section 283(1) of the Finance Act 2014 has effect for the purposes of this Resolution as if, in the definition of “tax”, paragraph (e) (inheritance tax) were omitted.

And it is declared that it is expedient in the public interest that this Resolution should have statutory effect under the provisions of the Provisional Collection of Taxes Act 1968.

46. Incidental provision etc

That it is expedient to authorise—

(a) any incidental or consequential charges to any duty or tax (including charges having retrospective effect) that may arise from provisions designed in general to afford relief from taxation, and

(b) any incidental, consequential or supplementary provision (including provision having retrospective effect) relating to provision authorised by the preceding resolutions.

PROCEDURE RESOLUTIONS

47. Future taxation

That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may contain the following provisions taking effect in a future year—

(a) provision about the dividend nil rate of income tax,

(b) provision for corporation tax to be charged for the financial year 2018,

(c) provision amending Chapter 6 of Part 3 of the Income Tax (Earnings and Pensions) Act 2003 (taxable benefits: cars etc),

(d) provision about the tax treatment of payments or benefits received in connection with the termination of an employment or a change in the duties in, or earnings from, an employment,

(e) provision amending sections 703 and 704 of the Income Tax (Earnings and Pensions) Act 2003 (PAYE agreements),

(f) provision about the application of Chapter 2 of Part 7A of the Income Tax (Earning and Pensions) Act 2003 in cases where loans are made and rights acquired,

(g) provision about the income tax treatment of loans, or acquired rights, in cases where there is an arrangement in connection with a trade,

(h) provision about the rates of air passenger duty,

(i) provision for and in connection with a new tax to be charged in respect of soft drinks containing added sugar, and

(j) provision for and in connection with digital reporting and record-keeping for businesses within the charge to income tax and for partnerships.

48. Museums and galleries exhibition tax credits

That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may contain provision for tax credits to be paid to museums and galleries exhibition production companies in respect of expenditure on the production of exhibitions.

49. Tobacco products manufacturing machinery (licensing schemes)

That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may confer powers on the Commissioners for Her Majesty's Revenue and Customs to make provision for, or in connection with, a licensing scheme for persons carrying out certain activities in relation to tobacco products manufacturing machinery.

50. Third country goods fulfilment businesses

That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may make provision for the approval and registration of persons carrying on a third country goods fulfilment business.

51. Penalties for enablers of defeated avoidance (national insurance contributions)

That, notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills, any Finance Bill of the present Session may contain provision for the purpose of protecting public revenues against losses in connection with the use of arrangements relating to national insurance contributions.