



House of Commons

## **Resolutions to be moved by the Chancellor of the Exchequer**

Wednesday 27 October 2021

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

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### **2. Income tax (main rates)**

That for the tax year 2022-23 the main rates of income tax are as follows—

- (a) the basic rate is 20%,
- (b) the higher rate is 40%, and
- (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.

### 3. Income tax (default and savings rates)

That—

- (1) For the tax year 2022-23 the default rates of income tax are as follows—
  - (a) the default basic rate is 20%,
  - (b) the default higher rate is 40%, and
  - (c) the default additional rate is 45%.
- (2) For the tax year 2022-23 the savings rates of income tax are as follows—
  - (a) the savings basic rate is 20%,
  - (b) the savings higher rate is 40%, and
  - (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.

#### 4. Income tax (rates of tax on dividend income)

That—

- (1) In section 8 of the Income Tax Act 2007 (which provides, among other things, for the dividend ordinary rate, dividend upper rate and dividend additional rate)—
  - (a) in subsection (1) (the dividend ordinary rate), for “7.5%” substitute “8.75%”,
  - (b) in subsection (2) (the dividend upper rate), for “32.5%” substitute “33.75%”, and
  - (c) in subsection (3) (the dividend additional rate), for “38.1%” substitute “39.35%”.
- (2) In section 9(2) of the Income Tax Act 2007 (the dividend trust rate), for “38.1%” substitute “39.35%”.
- (3) The amendments made by this Resolution have effect for the tax year 2022-23 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.

## 5. Income tax (starting rate limit for savings)

That—

- (1) For the tax year 2022-23 the amount specified in section 12(3) of the Income Tax Act 2007 (the starting rate limit for savings) is “£5,000”.
- (2) Accordingly, section 21 of that Act (indexation) does not apply in relation to the starting rate limit for savings for that tax year.

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. Surcharge on banking companies

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision taking effect in a future year may be made altering the percentage specified in section 269DA(1) of the Corporation Tax Act 2010 and amending Part 7A of that Act so as to alter the amount of the surcharge allowance.

## 7. Income tax (attribution of trade profits etc to a tax year)

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made taking effect in a future year altering the attribution to a tax year of the profits of a trade, profession, vocation or property business.

## 8. Pension schemes (liability of scheme administrator for annual allowance charge)

That provision may be made about the time limit for an individual to give notice to a pension scheme administrator under section 237B(3) of the Finance Act 2004 specifying that the individual and the administrator are to be jointly and severally liable in respect of the annual allowance charge.

## 9. Normal minimum pension age

That provision may be made increasing the normal minimum pension age for the purposes of Part 4 of the Finance Act 2004.

## 10. Public service pension schemes

That provision (including provision having retrospective effect) may be made in consequence of, or otherwise in connection with, any Act of the present Session that includes provision about public service pension schemes.

## 11. Extension of temporary increase in annual investment allowance

That provision may be made for the temporary increase in the maximum amount of annual investment allowance under section 51A of the Capital Allowances Act 2001 to apply to expenditure incurred in the period beginning with 1 January 2022 and ending with 31 March 2023.

## 12. Structures and buildings allowances (allowance statements)

That provision may be made requiring allowance statements under Part 2A of the Capital Allowances Act 2001 to include information about the date on which expenditure is incurred.

### 13. Asset holding companies

That provision may be made in connection with the use of companies whose main activity is the carrying on of an investment business that holds assets of investment funds and other entities.

### 14. Real Estate Investment Trusts

That provision may be made amending Part 12 of the Corporation Tax Act 2010 in relation to—

- (a) the conditions for companies in relation to UK REITs in sections 528 and 528A of that Act,
- (b) the requirement to prepare financial statements under section 532 of that Act,
- (c) the balance of business test in section 531 of that Act, and
- (d) the meaning of “holder of excessive rights” in section 553 of that Act.

### 15. Film tax relief

That (notwithstanding anything to the contrary in the practice of the House relating to

the matters that may be included in Finance Bills) provision may be made making tax relief under Part 15 of the Corporation Tax Act 2009 available in relation to films that are television programmes intended for broadcast to the general public.

#### 16. Theatrical productions tax relief

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made—

- (a) temporarily increasing the tax credit under Part 15C of the Corporation Tax Act 2009, and
- (b) amending that Part.

#### 17. Orchestra tax relief

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made—

- (a) temporarily increasing the tax credit under Part 15D of the Corporation Tax Act 2009, and



(b) amending that Part.

## 18. Museums and galleries exhibition tax relief

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made—

- (a) temporarily increasing the tax credit under Part 15E of the Corporation Tax Act 2009, and
- (b) amending that Part.

## 19. Returns for disposals of UK land etc

That—

- (1) Schedule 2 to the Finance Act 2019 (returns for disposals of UK land etc) is amended as follows.
- (2) In paragraph 3(1)(b) (obligation to deliver a return on or before the 30th day following completion), for “30th” substitute “60th”.
- (3) In paragraph 7 (calculation of capital gains tax notionally chargeable), after subparagraph (3) insert—

“(3A) In the case of a disposal to which this Schedule applies as a result of paragraph 1(1)(b) where a proportion of the chargeable gain accruing on the disposal is not a residential property gain, ignore that proportion for the purposes of this paragraph.”

- (4) The amendments made by this Resolution have effect in relation to disposals which have a completion date on or after 27 October 2021.

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.

## 20. Corporation tax (abolition of cross-border group relief)

That provision may be made—

- (a) amending section 107 of the Corporation Tax Act 2010 (restriction on losses etc surrenderable by non-UK resident),
- (b) repealing Chapter 3 of Part 5 of that Act (surrenders made by non-UK resident company resident or trading in the EEA),  
and

- (c) amending section 188BI of that Act (restriction on surrender of losses made when non-UK resident).

## 21. Tonnage tax

That the following provision amending Schedule 22 to the Finance Act 2000 may be made—

- (a) provision about elections,
- (b) provision removing requirements relating to flagging, and
- (c) provision about when income of a tonnage tax company consisting in a dividend or other distribution of an overseas company is relevant shipping income.

## 22. Hybrid and other mismatches

That provision may be made amending section 259GB of the Taxation (International and Other Provisions) Act 2010 to make provision in connection with partnerships and cases where entities are to be treated as if they were partnerships (and their members as partners) for the purposes of that section.

## 23. Diverted profits tax (mutual agreement procedure)

That provision may be made about the application of section 124 of the Taxation (International and Other Provisions) Act 2010 (giving effect to solutions to cases and mutual agreements resolving cases) in relation to diverted profits tax.

## 24. Diverted profits tax (closure notices etc)

That—

- (1) Part 3 of the Finance Act 2015 (diverted profits tax) is amended as follows.
- (2) In section 101A (amendment of CT return during review period: section 80 or 81 case)—
  - (a) in subsection (2) (amendment during first 12 months of review period)—
    - (i) omit “the first 12 months of”, and
    - (ii) after “review period” insert “except the last 30 days of that period”;
  - (b) after subsection (2) insert—
    - “(3) Paragraph 31(3) of Schedule 18 to FA 1998 (amendment not to take effect during enquiry) does not apply in

relation to an amendment made under subsection (2).”

(3) In section 101B (amendment of CT return during review period: section 86 case)—

(a) in subsection (2) (amendment during first 12 months of review period)—

(i) omit “the first 12 months of”, and

(ii) after “review period” insert “except the last 30 days of that period”;

(b) after subsection (2) insert—

“(3) Paragraph 31(3) of Schedule 18 to FA 1998 (amendment not to take effect during enquiry) does not apply in relation to an amendment made under subsection (2).”

(4) After section 101B insert—

**“101C Closure notices: rules during review period**

(1) This section applies where—

(a) a charging notice is issued to a company for an accounting period, and

(b) the review period for that charging notice has not ended.

- (2) In relation to an enquiry into the company tax return for the accounting period mentioned in subsection (1)(a)—
  - (a) a final closure notice may not be given under paragraph 32 of Schedule 18 to FA 1998, and
  - (b) a partial closure notice may not be given under that paragraph in relation to any matter which is, or could be, relevant to the charging notice mentioned in subsection (1)(a).
- (3) Accordingly, a relevant tribunal direction has no effect until the review period has ended.
- (4) In subsection (3) “relevant tribunal direction” means a direction given—
  - (a) under paragraph 33 of Schedule 18 to FA 1998,
  - (b) in relation to a closure notice that may not be given by virtue of subsection (2), and
  - (c) during the review period mentioned in subsection (1)(b).”
- (5) This Resolution comes into force on 27 October 2021; and the new section 101C of

the Finance Act 2015 inserted by paragraph (4) has effect in relation to any relevant tribunal direction which is given on or after that date unless the application for the direction was made before 27 September 2021.

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.

25. Insurance contracts (change in accounting standards)

That provision may be made—

- (a) conferring power on the Treasury to make provision in connection with the introduction of or any amendment to International Financial Reporting Standard 17 (insurance contracts) issued by the International Accounting Standards Board or any accounting standard replacing that standard, and
- (b) repealing section 79 of the Finance Act 2012.

## 26. Corporation tax (deductions allowance and leases)

That provision (including provision having retrospective effect) may be made about the availability of an increased allowance under section 269ZX of the Corporation Tax Act 2010 (increase of deductions allowance where provision for onerous lease reversed) where a company accounts for a lease by means of a lease liability and a right-of-use asset.

## 27. Expanded dormant assets scheme

That provision may be made in consequence of, or otherwise in connection with, any Act of the present Session that includes provision for and in connection with an expanded dormant assets scheme.

## 28. Residential property developer tax

That provision may be made for a new tax to be charged on the profits of companies developing residential property.



## 29. Economic crime (anti-money laundering) levy

That provision may be made for a new tax to be charged on persons carrying on a business to which the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 apply.

## 30. Stamp duty and stamp duty reserve tax (securitisation companies etc)

That provision may be made conferring power on the Treasury to provide that stamp duty or stamp duty reserve tax is not chargeable on—

- (a) transfers of securities issued or raised by a securitisation company or a qualifying transformer vehicle, and
- (b) transfers of securities to or by a securitisation company.

## 31. Value added tax (margin schemes for used cars etc and Northern Ireland)

That provision (including provision having retrospective effect) may be made about the operation of the margin schemes under article 8 of the Value Added Tax (Cars) Order 1992 and

article 12 of the Value Added Tax (Special Provisions) Order 1995 in relation to supplies of motor vehicles removed to Northern Ireland.

**32. Value added tax (margin schemes and removal or export of goods: payments)**

That (notwithstanding anything to the contrary in the practice of the House relating to the matters that may be included in Finance Bills) provision may be made conferring power on the Treasury to provide that a person who removes goods to Northern Ireland, or exports them, for resale is entitled to a payment where resale of the goods in Great Britain could be accounted for under a margin scheme provided for in an order under section 50A of the Value Added Tax Act 1994.

**33. Value added tax (margin schemes and removal or export of goods: zero-rating)**

That provision may be made about the zero-rating of supplies of goods that are removed to Northern Ireland or exported where the supplier accounts for the supply under a margin scheme provided for in an order under section 50A of the Value Added Tax Act 1994.

### 34. Value added tax (relief on imported dental prostheses)

That provision (including provision having retrospective effect) may be made giving relief from value added tax chargeable on the importation of dental prostheses by or on behalf of persons registered under the Dentists Act 1984.

### 35. Insurance premium tax (contracts relating to risks outside the United Kingdom)

That provision may be made amending paragraph 8 of Schedule 7A to the Finance Act 1994.

### 36. Import duty (transitioned trade remedies)

That—

- (1) Paragraphs (2) to (10) apply where a relevant review or reconsideration of a transitioned trade remedy has been initiated by the Trade Remedies Authority ("the TRA") but has not been concluded.
- (2) The Secretary of State may notify the TRA in writing that, in relation to the matters under

review or reconsideration, the Secretary of State is to decide whether to—

- (a) vary, maintain or revoke a tariff rate quota, anti-dumping amount or countervailing amount that is applicable to the goods to which the review or reconsideration relates, or
- (b) replace a tariff rate quota that is applicable to the goods to which the review or reconsideration relates with an additional amount of import duty.

(3) Accordingly—

- (a) functions of the TRA that would otherwise be exercisable in relation to the matters under review or reconsideration cease to be exercisable by the TRA (but this is subject to paragraph (6)(d));
- (b) the Secretary of State's decision need not be based on a recommendation or decision of the TRA in relation to the matters under review or reconsideration;
- (c) provisions made by the Safeguards Regulations, the Dumping and Subsidisation Regulations and the Reconsideration and Appeals Regulations have effect subject to

provision made by or under this Resolution.

- (4) The Secretary of State must publish notice giving effect to a decision under paragraph (2).
- (5) The Secretary of State may by regulations make provision for the purposes of paragraph (2).
- (6) The following are examples of provision that regulations under paragraph (5) may make in relation to a decision under paragraph (2)—
  - (a) provision specifying steps that are to be taken by the Secretary of State before notifying the TRA under paragraph (2),
  - (b) provision specifying factors that are, or are not, to be taken into account by the Secretary of State in making the decision,
  - (c) provision treating steps taken by the TRA in relation to the matters under review or reconsideration as steps taken by the Secretary of State,
  - (d) provision requiring the TRA to do specified things of any kind (including things specified by the Secretary of State in directions) for the purpose of assisting

- the Secretary of State in making the decision,
- (e) provision authorising the disclosure of information between the Secretary of State and the TRA,
  - (f) provision treating notice of the decision and anything having effect under the decision as having effect under the Taxation (Cross-border Trade) Act 2018 ("TCTA 2018"),
  - (g) provision for and in connection with appeals against the decision, and
  - (h) provision amending or otherwise modifying the Safeguards Regulations, the Dumping and Subsidisation Regulations or the Reconsideration and Appeals Regulations.
- (7) For the purposes of this Resolution—
- (a) a relevant review or reconsideration of a transitioned trade remedy is initiated when—
    - (i) the TRA publishes notice of initiation of a review under regulation 49(2)(a) of the Safeguards Regulations or regulation 98(1) of the Dumping and Subsidisation Regulations,

- (ii) the TRA publishes notice of initiation of reconsideration of an original decision under regulation 12(1) of the Reconsideration and Appeals Regulations, or
  - (iii) the Upper Tribunal refers an original decision back to the TRA under regulation 18(3) of the Reconsideration and Appeals Regulations;
- (b) a relevant review or reconsideration of a transitioned trade remedy is concluded when—
- (i) the Secretary of State accepts or rejects the TRA's recommendation or decision following the review or reconsideration,
  - (ii) the TRA publishes notice or notifies the Secretary of State that it is upholding the original decision under regulation 14(5) of the Reconsideration and Appeals Regulations (whichever is earlier), or
  - (iii) the TRA makes a new decision following a referral by the Upper Tribunal under regulation 18(3) of the Reconsideration and Appeals Regulations.

- (8) For the purposes of paragraph (7), an “original decision” means a recommendation made by the TRA to the Secretary of State under—
- (a) regulation 100(1) of the Dumping and Subsidisation Regulations, or
  - (b) regulation 51(1) of the Safeguards Regulations.
- (9) Section 32(7) and (8) of TCTA 2018 apply to regulations made under this Resolution as if they were regulations made under Part 1 of that Act.
- (10) Regulations under this Resolution are to be made by statutory instrument; and an instrument containing regulations made under this Resolution is subject to annulment in pursuance of a resolution of the House of Commons.
- (11) In regulation 14 of the Reconsideration and Appeals Regulations, after paragraph (5) insert—
- “(5A) Where the original decision is a recommendation under regulation 100(1) of the Dumping and Subsidisation Regulations or regulation 51(1) of the Safeguards Regulations, the



TRA must notify the Secretary of State of its intention to uphold the original decision at least 30 days before taking the steps under paragraph (5)."

(12) In this Resolution—

"the Safeguards Regulations" means the Trade Remedies (Increase in Imports Causing Serious Injury to UK Producers) (EU Exit) Regulations 2019 (S.I. 2019/449);

"the Dumping and Subsidisation Regulations" means the Trade Remedies (Dumping and Subsidisation) (EU Exit) Regulations 2019 (S.I. 2019/450);

"the Reconsideration and Appeals Regulations" means the Trade Remedies (Reconsideration and Appeals) (EU Exit) Regulations 2019 (S.I. 2019/910).

(13) This Resolution comes into force on 3 November 2021.

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.

37. Import duty (calculation of duty by reference to documents)

That provision may be made to enable documents referred to in regulations made under sections 8 to 19 of the Taxation (Cross-border Trade) Act 2018 to be amended by notice for the purpose of the regulations.

38. Hydrocarbon oil duties (use of rebated diesel and biofuels)

That provision (including provision having retrospective effect) may be made amending the Hydrocarbon Oil Duties Act 1979 in connection with the use of rebated diesel and biofuels by specified categories of machine.

39. Rates of tobacco products duty

That—

- (1) In Schedule 1 to the Tobacco Products Duty Act 1979 (table of rates of tobacco products duty), for the Table substitute—

## "TABLE

1 Cigarettes	An amount equal to the higher of— (a) 16.5% of the retail price plus £262.90 per thousand cigarettes, or (b) £347.86 per thousand cigarettes.
2 Cigars	£327.92 per kilogram
3 Hand-rolling tobacco	£302.34 per kilogram
4 Other smoking tobacco and chewing tobacco	£144.17 per kilogram
5 Tobacco for heating	£270.22 per kilogram"

- (2) In consequence of the provision made by paragraph (1), in Schedule 2 to the Travellers' Allowances Order 1994 (which provides in certain circumstances for a simplified calculation of excise duty on goods brought into Great Britain)—

- (a) in the entry relating to cigarettes, for "£320.90" substitute "£347.86",
  - (b) in the entry relating to hand rolling tobacco, for "£271.40" substitute "£302.34",
  - (c) in the entry relating to other smoking tobacco and chewing tobacco, for "£134.24" substitute "£144.17",
  - (d) in the entry relating to cigars, for "£305.32" substitute "£327.92",
  - (e) in the entry relating to cigarillos, for "£305.32" substitute "£327.92", and
  - (f) in the entry relating to tobacco for heating, for "£75.48" substitute "£81.07".
- (3) The amendments made by this Resolution come into force at 6pm on 27 October 2021.

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. Rates of vehicle excise duty for passenger or light goods vehicles, motorcycles etc

That provision may be made amending the rates of vehicle excise duty in Parts 1 to 2 of Schedule 1 to the Vehicle Excise and Registration Act 1994.

#### 41. Vehicle excise duty (exemption for cabotage operations)

That—

- (1) The Motor Vehicles (International Circulation) Order 1975 (S.I. 1975/1208) is modified in accordance with paragraph (2).
- (2) Article 5 (excise exemption and documents for vehicles brought temporarily into the United Kingdom) has effect as if—
  - (a) in paragraph (2), after sub-paragraph (c) there were inserted—
    - “(d) in a case of a vehicle being used for or in connection with a cabotage operation in Great Britain that is not exempt from excise duty under sub-paragraph (b) or (c), the vehicle is exempt

from excise duty if and for so long as—

- (i) the cabotage operation consists of national carriage for hire or reward by a haulier;
- (ii) no more than 14 days has elapsed beginning with the day on which the vehicle arrived in the United Kingdom in the course of a laden journey;
- (iii) the vehicle is being used at any time during the period ending with 30th April 2022; and
- (iv) either paragraph (2ZA) or (2ZB) applies in the case of the vehicle.”;

(b) after paragraph (2) there were inserted—

“(2ZA) This paragraph applies in the case of a vehicle if—

- (a) the haulier is the holder of a Community licence, and
- (b) the driver of the vehicle, if a national of a country which is

not a member State, holds a driver attestation.

(2ZB) This paragraph applies in the case of a vehicle if—

(a) the vehicle is a foreign goods vehicle, and

(b) the vehicle lawfully entered the United Kingdom in the course of a laden international road transport.

(2ZC) The definition of “foreign goods vehicle” in regulation 3(1) of the Goods Vehicles (Licensing of Operators) (Temporary Use in Great Britain) Regulations 1996 (S.I. 1996/2186) applies for the purposes of paragraph (2ZB)(a), but as if paragraph (d) of that definition were omitted.”

(3) The modifications made by this Resolution have effect in the case of vehicles arriving in the United Kingdom on or after 28 October 2021.

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.

#### 42. HGV road user levy (extension of suspension)

That provision may be made amending section 88 of the Finance Act 2020.

#### 43. Amounts of gross gaming yield charged to gaming duty

That provision may be made increasing the amounts of gross gaming yield specified in the table in section 11(2) of the Finance Act 1997.

#### 44. Excise duty penalties

That—

- (1) Schedule 41 to the Finance Act 2008 (penalties: failure to notify and certain VAT and excise wrongdoing) is amended as follows.
- (2) In paragraph 1 (penalty payable on failure to comply with relevant obligation), in the table (relevant obligations), in the fourth entry for “excise duties”, for “their release for free



circulation” substitute “a declaration for the free-circulation procedure or an authorised use procedure being accepted”.

- (3) In paragraph 4 (handling goods subject to unpaid excise duty etc), in sub-paragraph (2), in the definition of “excise duty point”, after “1992” insert “(and includes any excise duty point created or deemed to be created as a result of provision in regulations under section 45 of the Taxation (Cross-border Trade) Act 2018 (general regulation making power for excise duty purposes etc))”.
- (4) This Resolution comes into force on 3 November 2021.

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.

#### 45. Rates of landfill tax

That provision may be made increasing the rates of landfill tax.

## 46. Plastic packaging tax

That provision may be made for the purposes of plastic packaging tax—

- (a) providing for exemptions or other reliefs,
- (b) amending section 50 of the Finance Act 2021 (timing of importation),
- (c) about the period for which records are to be kept,
- (d) about groups of companies, and
- (e) about the meaning of “related business” in Schedule 9 to the Finance Act 2021.

## 47. Promotion of tax avoidance schemes

That provision may be made —

- (a) about petitions for the winding up of bodies in connection with the promotion of tax avoidance schemes,
- (b) about the publication by Her Majesty’s Revenue and Customs of information in connection with the promotion of such schemes,
- (c) for the freezing of a person’s assets in connection with applications for penalties relating to the promotion of such schemes, and

- (d) about penalties for facilitating avoidance schemes involving non-resident promoters.

#### 48. Electronic sales suppression

That provision may be made about—

- (a) penalties for persons who engage in activities involving tools used, or capable of being used, to suppress electronic sales records that are required to be kept by or under any legislation relating to tax, and
- (b) powers for Her Majesty's Revenue and Customs to obtain information in relation to such persons and such tools.

#### 49. Tobacco products duty (tracing and security)

That provision may be made about security features applied to the packaging of tobacco products, and the recording of movements of such products, to facilitate the administration, collection or enforcement of the duty charged under section 2 of the Tobacco Products Duty Act 1979.

## 50. Free zones

That—

- (1) The Value Added Tax Act 1994 is amended as follows.
- (2) In section 6(1) (time of supply), for “and 18C” substitute “, 18C and 57A”.
- (3) In section 7(1) (place of supply of goods), for “and 18B” substitute “, 18B and 57A”.
- (4) In section 7A(1) (place of supply of services), after “applies” insert “, subject to section 57A,”.
- (5) In section 17 (free zone regulations) omit subsection (2).
- (6) In section 18 (goods subject to a warehousing regime: place and time of supply), in subsection (6)—
  - (a) at the appropriate place insert—

““free zone procedure” has the meaning given by the Customs (Special Procedures and Outward Processing) (EU Exit) Regulations 2018 (S.I. 2018/1249) (see regulation 2(3)(b) of those Regulations);”;

- (b) in the definition of “warehouse”, after paragraph (d) insert “, but does not include a warehouse so far as it is used for the storage of goods declared for a free zone procedure.”
- (7) At the end of Part 3 (application of the Value Added Tax Act 1994 in particular cases) insert—

**“57A Importation following zero-rated free zone supply: deemed supply**

- (1) This section applies where—
- (a) a person (“P”) receives—
    - (i) a zero-rated free zone supply of goods, or
    - (ii) a zero-rated free zone supply of services, and
  - (b) Condition A or B is met.
- (2) Condition A is met where, after the supply mentioned in subsection (1)(a), there is, in respect of the goods supplied or the goods on or in relation to which the service is performed (as the case may be), a breach of a requirement relating to the free zone procedure without there having been a zero-rated

free zone supply by P of the goods after receiving the supply mentioned in that subsection.

- (3) Condition B is met where, after the supply mentioned in subsection (1)(a)—
  - (a) the goods supplied or the goods on or in relation to which the service is performed (as the case may be) are imported (other than by virtue of Condition A being met) without there having been a zero-rated free zone supply by P of those goods after receiving the supply mentioned in that subsection, and
  - (b) within the period of three months beginning with the day on which the goods are imported, P does not make a taxable supply of the goods to another person in the course or furtherance of P's business.
- (4) For the purposes of this Act—
  - (a) a supply of goods identical to the zero-rated free zone supply of goods or a supply of services identical to the zero-rated free zone supply of services (as the case may

- be) is to be treated as having been made—
    - (i) by P in the course or furtherance of a business carried on by P, and
    - (ii) to P for the purposes of that business, and
  - (b) that supply is to be treated—
    - (i) as taking place on the relevant day,
    - (ii) as being made in the United Kingdom,
    - (iii) as having the same value as the zero-rated free zone supply of goods or the zero-rated free zone supply of services (as the case may be), and
    - (iv) as a taxable (and not a zero-rated) supply.
- (5) For the purposes of Condition A, the reference to a breach of a requirement relating to a free zone procedure is to—
- (a) a breach, occurring while the procedure has effect, of the terms of the declaration for the procedure or of any other requirement imposed in relation to the

- procedure by or under Schedule 2 to TCTA 2018, or
- (b) a breach, occurring at any time after the declaration was made, of any other requirement imposed by an officer of Revenue and Customs in relation to the goods for which the declaration was made.
- (6) The Commissioners may by regulations make provision—
- (a) modifying the application or effect of this section, or
  - (b) applying this section, with or without modification, in relation to cases set out in the regulations.
- (7) In this section—
- “free zone procedure” has the same meaning as in Group 22 of Schedule 8 (free zones);
  - “relevant day” means—
    - (a) in a case where this section applies by virtue of Condition A being met, the day on which the breach mentioned in that Condition occurred;



(b) in a case where this section applies by virtue of Condition B being met, the day after the end of the period mentioned in that Condition;

“zero-rated free zone supply of goods” means a supply of goods within Item 1(a) of Group 22 to Schedule 8 (free zone procedure goods);

“zero-rated free zone supply of services” means a supply of services within Item 1(b) of that Group (free zone services).”

(8) This Resolution comes into force on 3 November 2021.

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.

## 51. Large businesses (notification of uncertain tax treatment)

That provision may be made requiring bodies to notify Her Majesty’s Revenue and Customs if

amounts included in a tax return have an uncertain tax treatment.

## 52. Discovery assessments etc

That provision (including provision having retrospective effect) may be made amending—

- (a) section 29(1)(a) of the Taxes Management Act 1970 (assessment where loss of tax discovered),
- (b) section 7 of the Taxes Management Act 1970 (notice of liability to income tax and capital gains tax), and
- (c) section 30(1) of the Income Tax Act 2007 (additional tax).

## 53. Temporary income tax powers in disaster or emergency

That provision may be made conferring powers on the Treasury, exercisable in connection with circumstances arising as a result of a disaster or emergency of national significance, to modify Part 3, 4, or 5 of the Income Tax (Earnings and Pensions) Act 2003 so as to provide, for a temporary period, that a liability to income tax that would otherwise arise does not arise.

## 54. Vehicle CO<sub>2</sub> emissions certificates (tax reliefs)

That provision may be made (including provision having retrospective effect) about certificates in relation to the CO<sub>2</sub> emissions of vehicles for the purposes of—

- (a) section 268C(1) of the Capital Allowances Act 2001 (meaning of “qualifying emissions certificate”), and
- (b) Chapter 6 of Part 3 of the Income Tax (Earnings and Pensions) Act 2003 (taxable benefits: cars etc).

## 55. Vehicle CO<sub>2</sub> emissions certificates (vehicle licences)

That—

- (1) In Part 1A of Schedule 1 to the Vehicle Excise and Registration Act 1994 (light passenger vehicles registered before 1 April 2017), in paragraph 1G, for sub-paragraph (2) substitute—

“(2) References in this Part of this Schedule to a “UK approval certificate” are, in relation to a vehicle, to—

- (a) a certificate issued under

- (i) section 58(1) or (4) of the Road Traffic Act 1988 (c 52), or
  - (ii) Article 31A(4) or (5) of the Road Traffic (Northern Ireland) Order 1981 (S.I. 1981/154 (NI 1)), or
- (b) any other certificate or document issued in the United Kingdom on the basis of which the vehicle is first registered, other than an EC certificate of conformity.”
- (2) The amendment made by this Resolution has effect in relation to licences taken out on or after 3 November 2021.

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.

## 56. Office of Tax Simplification (membership)

That provision may be made increasing the membership of the Office of Tax Simplification.

## 57. 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 or consequential provision (including provision having retrospective effect) relating to provision authorised by any other resolution.

## MONEY RESOLUTION

FINANCE (MONEY): *Queen's recommendation signified*

That, for the purposes of any Act of the present Session relating to finance, it is expedient to authorise—

- (a) the payment out of money provided by Parliament of—
  - (i) any expenditure incurred under or by virtue of the Act in connection with a tax charged on persons carrying on a business to which the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 apply,
  - (ii) sums payable by the Treasury to a person who removes goods to Northern Ireland, or exports them, for resale where resale of the goods in Great Britain could be accounted for under a margin scheme provided for in an order under section 50A of the Value Added Tax Act 1994,

- (iii) any expenditure incurred under or by virtue of the Act by the Secretary of State in connection with import duty,
  - (iv) any expenditure incurred under or by virtue of the Act by a person on whom functions are conferred in connection with a scheme for the application of security features to the packaging of tobacco products, and the recording of movements of such products, and
  - (v) any expenditure incurred by the Treasury which is attributable to an increase in the membership of the Office of Tax Simplification, and
- (b) the payment of sums into the Consolidated Fund in connection with the tax mentioned in paragraph (a)(i).