



House of Commons

Tuesday 2 November 2021

Votes and Proceedings

The House met at 11.30 am.

Prayers

1 Questions to the Chancellor of the Exchequer

2 Plastics (Wet Wipes): Motion for leave to bring in a Bill (Standing Order No. 23)

Ordered, That leave be given to bring in a Bill to prohibit the manufacture and sale of wet wipes containing plastic; and for connected purposes;

That Fleur Anderson, Philip Dunne, Caroline Lucas, Ms Diane Abbott, Tim Farron, Barry Gardiner, Jim Shannon, Patrick Grady, Helen Hayes, James Gray, Dr Lisa Cameron and Ben Lake present the Bill.

Fleur Anderson accordingly presented the Bill.

Bill read the first time; to be read a second time on Friday 19 November, and to be printed (Bill 182).

3 Ways and Means: Income tax (charge): Adjourned debate on the Question proposed on 27 October

Debate resumed (Order, 1 November).

Question again proposed, That income tax is charged for the tax year 2022–23.

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.

Question put and agreed to.

Resolved, That income tax is charged for the tax year 2022–23.

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 Ways and Means: further Budget Resolutions

The Deputy Speaker then put forthwith the Questions necessary to dispose of the further Motions which were made by the Chancellor of the Exchequer (Standing Order No. 51(3)).

2. Income tax (main rates)

Resolved, 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)

Resolved, 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)

Resolved, 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)

Resolved, 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

Question put, 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.

The House divided.

Division No. 97

Ayes: 319 (Tellers: Scott Mann, David T C Davies)

Noes: 230 (Tellers: Jessica Morden, Lilian Greenwood)

Question accordingly agreed to.

Resolved, 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)

Question put, 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.

The House divided.

Division No. 98

Ayes: 319 (Tellers: Scott Mann, David T C Davies)

Noes: 231 (Tellers: Jessica Morden, Lilian Greenwood)

Question accordingly agreed to.

Resolved, 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)

Resolved, 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

Resolved, 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

Resolved, 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

Resolved, 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)

Resolved, 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

Resolved, 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

Resolved, 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

Resolved, 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

Resolved, 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

Resolved, 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

Resolved, 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

Resolved, 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)

Resolved, 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

Resolved, 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

Resolved, 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)

Resolved, 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)

Resolved, 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)

Resolved, 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)

Resolved, 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

Resolved, 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

Resolved, 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

Resolved, 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)

Resolved, 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)

Resolved, 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)

Resolved, 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)

Resolved, 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)

Resolved, 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)

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

36. Import duty (transitioned trade remedies)

Resolved, 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)

Resolved, 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)

Resolved, 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

Resolved, 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

Resolved, 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)

Resolved, 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)

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

43. Amounts of gross gaming yield charged to gaming duty

Resolved, 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

Resolved, 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

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

46. Plastic packaging tax

Resolved, 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

Resolved, 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

Resolved, 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)

Resolved, 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

Resolved, 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)

Resolved, 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

Resolved, 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

Resolved, 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 CO2 emissions certificates (tax reliefs)

Resolved, That provision may be made (including provision having retrospective effect) about certificates in relation to the CO2 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 CO2 emissions certificates (vehicle licences)

Resolved, 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)

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

57. Incidental provision etc

Resolved, 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.

Finance (Money)

Queen’s recommendation signified.

Resolved, 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).

6 Finance (No. 2) Bill

Ordered, That a Bill be brought in upon the foregoing resolutions;

That the Chairman of Ways and Means, the Prime Minister, the Chancellor of the Exchequer, Secretary Kwasi Kwarteng, Secretary Grant Shapps, Secretary Nadine Dorries, Secretary Anne-Marie Trevelyan, Secretary Michael Gove, Simon Clarke, John Glen, Helen Whately and Lucy Frazer present the Bill.

Lucy Frazer accordingly presented a Bill to grant certain duties, to alter other duties, and to amend the law relating to the national debt and the public revenue, and to make further provision in connection with finance.

Bill read the first time; to be read a second time tomorrow, and to be printed (Bill 184), with Explanatory Notes (Bill 184-EN).

7 Statutory Instruments: Motion for Approval

Motion made and Question put forthwith (Standing Order No. 118(6)), That the Corporate Insolvency and Governance Act 2020 (Coronavirus) (Amendment of Schedule 10) (No. 2) Regulations 2021 (SI, 2021, No. 1091), dated 27 September 2021, a copy of which was laid before this House on 28 September, be approved.—(*Mrs Heather Wheeler*.)

Question agreed to.

8 Business of the House (3 November)

Ordered, That, at the sitting on Wednesday 3 November, the Speaker shall put the Questions necessary to dispose of proceedings on the Motion in the name of Mr Jacob Rees-Mogg relating to the Committee on Standards not later than 90 minutes after the commencement of proceedings on that Motion; such Questions shall include the Questions on any Amendments selected by the Speaker which may then be moved; the business on that Motion may be entered upon and proceeded with at any hour, though opposed; and Standing Order No. 41A (Deferred divisions) shall not apply.—(*Mrs Heather Wheeler*.)

9 Changes to the membership of select committees

(1) *Ordered*, That Gareth Bacon be discharged from the Backbench Business Committee and Duncan Baker be added.—(*Bill Wiggin, on behalf of the Committee of Selection*.)

(2) *Ordered*, That Charlotte Nichols be discharged from the European Scrutiny Committee and Dame Margaret Hodge be added.—(*Bill Wiggin, on behalf of the Committee of Selection*.)

(3) *Ordered*, That Charlotte Nichols be discharged from the European Statutory Instruments Committee and Dame Margaret Hodge be added.—(*Bill Wiggin, on behalf of the Committee of Selection*.)

(4) *Ordered*, That Dr James Davies be discharged from the Health and Social Care Committee and Lucy Allan be added.—(*Bill Wiggin, on behalf of the Committee of Selection*.)

(5) *Ordered*, That Dehenna Davison and Ruth Edwards be discharged from the Home Affairs Committee and James Daly and Gary Sambrook be added.—(*Bill Wiggin, on behalf of the Committee of Selection*.)

(6) *Ordered*, That Miss Sarah Dines be discharged from the Justice Committee and Paul Maynard be added.—(*Bill Wiggin, on behalf of the Committee of Selection*.)

(7) *Ordered*, That Nicola Richards be discharged from the Women and Equalities Committee and Jackie Doyle-Price be added.—(*Bill Wiggin, on behalf of the Committee of Selection.*)

10 Adjournment

Subject: Shipbuilding and Fergusson Marine Engineering Ltd insolvency (Kenny MacAskill)
Resolved, That this House do now adjourn.—(*Mrs Heather Wheeler.*)

Adjourned at 8.02 pm until tomorrow.

Other Proceedings

General Committees: Reports

11 Health and Care Bill Committee

Mr Peter Bone (Chair) reported:

- (1) written evidence submitted to the Committee, and
- (2) the Bill as amended.

Written evidence to be published.

Bill, as amended, to be considered tomorrow; and to be printed (Bill 183).

12 Judicial Review and Courts Bill Committee

Sir Mark Hendrick (Chair) reported:

- (1) That the Committee had come to the following Resolution, That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication; and
- (2) written evidence.

Written evidence to be published.

13 Nationality and Borders Bill Committee

Sir Roger Gale (Chair) reported written evidence submitted to the Committee.

Written evidence to be published.

14 Subsidy Control Bill Committee

Caroline Nokes (Chair) reported written evidence submitted to the Committee.

Written evidence to be published.

15 First Delegated Legislation Committee

Peter Dowd (Chair) reported the draft Social Security (Scotland) Act 2018 (Disability Assistance for Children and Young People) (Consequential Modifications) (No. 2) Order 2021.

General Committees: Appointments

The Speaker appoints the Chair of General Committees and members of Programming Sub-Committees, and allocates Statutory Instruments to Delegated Legislation Committees.

The Committee of Selection nominates Members to serve on General Committees (and certain Members to serve on Grand Committees).

16 Judicial Review and Courts Bill (Programming Sub-Committee)

Members: James Cartlidge, Antony Higginbotham, Anne McLaughlin, Scott Mann, Julie Marson, Andy Slaughter and Liz Twist

17 Taxis and Private Hire Vehicles (Safeguarding and Road Safety) Bill Committee

Members: Simon Fell discharged and Robert Buckland nominated in substitution.

Reports from Select Committees

18 Backbench Business Committee

Transcript of representations made on Tuesday 2 November to be published (Ian Mearns).

19 Business, Energy and Industrial Strategy Committee

(1) *Liberty Steel and the Future of the UK steel industry*: Fourth Report, to be printed, with the formal minutes relating to the Report (HC 821);

(2) *Pre-Legislative Scrutiny: Downstream Oil Resilience Bill*:

(i) Fifth Report, to be printed, with the formal minutes relating to the Report (HC 820);

(ii) Written evidence, to be published (HC 384);

(3) *Correspondence from the Minister of State for Energy, Clean Growth and Climate Change*: Written evidence, to be published;

(4) *Correspondence from the Secretary of State*: Written evidence, to be published;

(5) *Correspondence with the Secretary of State for International Trade on Export Licensing*: Written evidence, to be published;

(6) *Impact of supply chain delays on UK businesses and consumers*: Written evidence, to be published (HC 777)

(Darren Jones)

20 Defence Committee

(1) *The Navy: purpose and procurement*: Oral and written evidence, to be published (HC 168);

(2) *Correspondence with General Electric relating to GE Steam Power*: Written evidence, to be published;

(3) *Correspondence with the Minister for Defence Procurement relating to the appointment of the SRO for the Armoured Cavalry*: Written evidence, to be published;

(4) *Correspondence with the Minister for Defence Procurement relating to the Appendix to Sir John Parker's Review*: Written evidence, to be published;

(5) *US, UK, and NATO*: Written evidence, to be published (HC 608)

(Tobias Ellwood).

21 Digital, Culture, Media and Sport Committee

(1) *The future of public service broadcasting: Ofcom Response to the Committee's Sixth Report of 2019–21*: Fourth Special Report, to be printed (HC 832);

(2) *Influencer culture*: Oral evidence, to be published (HC 258)
(Julian Knight).

22 Education Committee

(1) *Prison education*: Oral and written evidence, to be published (HC 86);

(2) *COVID-19 and the vaccination of children*: Written evidence, to be published (HC 673)
(Robert Halfon).

23 Environment, Food and Rural Affairs Committee

(1) *Animals Abroad Bill*: Oral and written evidence, to be published (HC 511);

(2) *Correspondence from the Chief Executive of the Environment Agency relating to farming rules for water*: Written evidence, to be published
(Neil Parish).

24 European Statutory Instruments Committee

Sixth Report, to be printed, with the formal minutes relating to the Report (HC 590)
(Andrew Jones).

25 Finance Committee

Record of the Committee's decisions taken at its meeting on 2 November, to be published
(Nick Brown).

26 Foreign Affairs Committee

(1) *Tech and the future of UK foreign policy*: Oral and written evidence, to be published
(HC 201);

(2) *Correspondence with the Minister for Europe and Americas relating to Gibraltar*:
Written evidence, to be published;

(3) *Government policy on Afghanistan*: Written evidence, to be published (HC 685)
(Tom Tugendhat).

27 Health and Social Care Committee

(1) *Clearing the backlog caused by the pandemic*: Oral evidence, to be published (HC 599);

(2) *Expert Panel: evaluation of the Government's commitments in the area of mental health services in England*: Written evidence, to be published (HC 612);

(3) *NHS litigation reform*: Written evidence, to be published (HC 740)
(Jeremy Hunt).

28 International Development Committee

(1) *Future of UK aid*: Oral evidence, to be published (HC 100);

(2) *UK aid for improving nutrition*: Written evidence, to be published (HC 811)
(Sarah Champion).

29 Justice Committee

- (1) *Women in prison*: Oral and written evidence, to be published (HC 73);
- (2) *Correspondence from the Secretary of State for Justice*: Written evidence, to be published;
- (3) *Correspondence from the Minister of State for Crime and Policing*: Written evidence, to be published;
- (4) *Correspondence from the Minister of State for Justice*: Written evidence, to be published;
- (5) *Correspondence from the Parliamentary Under-Secretary of State for Justice*: Written evidence, to be published

Sir Robert Neill.

30 Petitions Committee

- (1) *Record of the Committee's decisions relating to e-petitions*, to be published;
- (2) *List of closed e-petitions presented to the House*, to be published;
- (3) *Tackling online abuse*: Oral evidence, to be published (HC766);
- (4) *Correspondence with the Lord Chancellor and Secretary of State for Justice relating to e-petition 577443*: Written evidence, to be published;
- (5) *Correspondence with the Secretary of State for the Environment, Food and Rural Affairs relating to dangerous dogs legislation*: Written evidence, to be published (Catherine McKinnell).

31 Public Administration and Constitutional Affairs Committee

- (1) *Propriety of governance in light of Greensill*: Oral evidence, to be published (HC 59);
- (2) *Correspondence from the Cabinet Office Chief Statistician relating to engagement with the Chief Statistician in the Scottish Government*: Written evidence, to be published (Mr William Wragg).

32 Standards (Committee on)

- (1) *All-Party Parliamentary Groups*: Written evidence, to be published (HC 672);
- (2) *Code of Conduct*: Written evidence, to be published (HC 671) (Chris Bryant).

Lindsay Hoyle
Speaker

Westminster Hall

The sitting began at 9.30 am.

Business appointed by the Chairman of Ways and Means (Standing Order No. 10(6))

1 Kurdish political representation and equality in Turkey

Resolved, That this House has considered Kurdish political representation and equality in Turkey.—(*Lloyd Russell-Moyle*.)

The sitting was suspended between 10.50 am and 10.59 am.

2 Bathing water status for the river Thames in Oxford

Resolved, That this House has considered bathing water status for the river Thames in Oxford.—(*Layla Moran*.)

The sitting was suspended between 11.28 am and 4.00 pm (Standing Orders No. 10(1)(b) and No. 10(6)).

3 NHS efficiency

Resolved, That this House has considered NHS efficiency.—(*Paul Bristow*.)

4 COP26 and the impact of air pollution on public health and wellbeing

Motion made and Question proposed, That this House has considered COP26 and the impact of air pollution on public health and wellbeing.—(*Mr Barry Sheerman*.)

At 5.30 pm the motion lapsed (Standing Order No. 10(14)).

Sitting adjourned without Question put (Standing Order No. 10(14)).

Adjourned at 5.30 pm until tomorrow.

Eleanor Laing

Chairman of Ways and Means

Papers Laid

Papers subject to Affirmative Resolution

1 Exiting the European Union (Medicines)

Draft Human Medicines (Amendment etc.) (EU Exit) (No. 2) Regulations 2021 (by Act), with an Explanatory Memorandum (by Command) (Edward Argar)

2 International Immunities and Privileges

Draft International Organization for Marine Aids to Navigation (Legal Capacities) Order 2022 (by Act), with an Explanatory Memorandum (by Command) (Secretary Grant Shapps)

3 Prevention and Suppression of Terrorism

Draft Terrorism Prevention and Investigation Measures Act 2011 (Continuation) Order 2021 (by Act), with an Explanatory Memorandum (by Command) (Secretary Priti Patel)

Papers subject to Negative Resolution

4 Housing

Housing (Right to Buy) (Designated Rural Areas and Designated Regions) (England) Order 2021 (SI, 2021, No. 1222), dated 1 November 2021 (by Act), with an Explanatory Memorandum and an Impact Assessment (by Command) (Christopher Pincher)

Other papers

5 Digital, Culture, Media and Sport

Financial Statements of Historic Royal Palaces for 2020–21, with the Report of the Comptroller and Auditor General (by Command) (Secretary Nadine Dorries)

6 Land Registration

Land Registration Fee Order (SI, 2021, No. 1226), dated 1 November 2021 (by Act), with an Explanatory Memorandum and Impact Assessment (by Command) (Secretary Kwasi Kwarteng)

7 National Security and Investment

National Security and Investment Act 2021: Statement for the purposes of section 3 (by Act) (Secretary Kwasi Kwarteng)