

*These notes refer to the Legislative and Regulatory Reform Act 2006 (c.51) which received Royal Assent on 8 November 2006*

# **LEGISLATIVE AND REGULATORY REFORM ACT 2006**

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## **EXPLANATORY NOTES**

### **COMMENTARY ON SECTIONS**

#### **Part 1: Order-Making Powers**

##### **Restrictions**

##### *Section 5: Taxation*

64. This section prohibits an order made under this Part from imposing, abolishing or varying any tax.
65. It also contains a separate power enabling the Treasury to make regulations to provide tax neutrality in relation to a transfer of property, rights and liabilities which may arise from the merger of bodies by or under an order made under Part 1. This will enable the Treasury to make appropriate tax provision, at the appropriate time to ensure that a transfer does not give rise to a tax change or confer a tax advantage on either party. For the purposes of this power the relevant taxes are income tax, corporation tax, capital gains tax, stamp duty and stamp duty reserve tax.
66. Regulations made under this section are to be made by statutory instrument, subject to annulment in pursuance of a resolution of the House of Commons.