



# Finance Act 2010

## 2010 CHAPTER 13

### PART 3

#### OTHER PROVISIONS

##### *Income tax: benefits in kind*

#### **58 Zero and low emission vehicles**

- (1) Chapter 6 of Part 3 of ITEPA 2003 (taxable benefits: cars, vans and related benefits) is amended as follows.
- (2) <sup>F1</sup>.....
- (3) <sup>F1</sup>.....
- (4) <sup>F1</sup>.....
- (5) <sup>F1</sup>.....
- (6) Omit subsection (5A).
- (7) Section 140 (cars first registered in 1998 or later without emissions figure) is amended as follows.
- (8) In subsection (3), for the words after “year is” substitute—
  - “(a) the special percentage if the car cannot in any circumstances emit CO<sub>2</sub> by being driven, and
  - (b) 35% in any other case.”
- (9) After that subsection insert—
  - “(3A) The special percentage is—
    - (a) for the tax years 2010-11 to 2014-15, 0%, and
    - (b) for the tax year 2015-16 and subsequent tax years, 9%.”

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- (10) Omit subsection (4).
- (11) In section 149(4) (car fuel benefit), for “for an electrically propelled vehicle” substitute “or any energy for a car which cannot in any circumstances emit CO<sub>2</sub> by being driven.”
- (12) In section 155 (vans), for subsections (1) to (3) substitute—
- “(1) The cash equivalent of the benefit of a van for a tax year is—
    - (a) nil in a case to which subsection (2) applies, and
    - (b) £3,000 in any other case.
  - (2) This subsection applies if—
    - (a) the restricted private use condition is met in relation to the van for the tax year, or
    - (b) the van cannot in any circumstances emit CO<sub>2</sub> by being driven and the tax year is any of the tax years 2010-11 to 2014-15.”
- (13) In—
- (a) section 156(1) (reduction for periods when van unavailable), and
  - (b) section 158(1) (reduction for payments for private use),
- for “155(2)(a) or (b)” substitute “ 155(1) ”.
- (14) In section 160 (van fuel benefit)—
- (a) in subsection (1), for “155(2)(b)” substitute “ 155(1)(b) ”, and
  - (b) omit subsection (4).
- (15) In section 170(1A) (power to amend section 155(2)(a) and (3)(b))—
- (a) in paragraph (a), for “155(2)(a)” substitute “ 155(1)(a) ” and after “employee” insert “ or a zero-emission van ”, and
  - (b) in paragraph (b), for “155(3)(b)” substitute “ 155(1)(b) ”.
- (16) In FA 2006, in section 59, omit subsection (7).
- (17) In FA 2009, in Schedule 28, omit paragraph 7.
- (18) The amendments made by subsections (2) to (16) have effect for the tax year 2010-11 and subsequent tax years.
- (19) The amendment made by subsection (17) is treated as always having had effect.
- (20) The amendment of section 142 of ITEPA 2003 made by paragraph 8 of Schedule 28 to FA 2009 has effect for the tax year 2010-11 (as well as for the tax year 2011-12 and subsequent tax years).

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#### **Textual Amendments**

**F1** [S. 58\(2\)-\(5\)](#) omitted (8.4.2010 with effect as mentioned in [s. 59\(5\)](#) of the amending Act) by virtue of [Finance Act 2010 \(c. 13\), s. 59\(4\)\(c\)](#)

## **59 Cars with CO<sub>2</sub> emissions figure**

- (1) Chapter 6 of Part 3 of ITEPA 2003 (taxable benefits: cars, vans and related benefits) is further amended as follows.
- (2) For section 139 substitute—

### **“139 Cars with a CO<sub>2</sub> emissions figure: the appropriate percentage**

- (1) The appropriate percentage for a year for a car with a CO<sub>2</sub> emissions figure depends on the car's CO<sub>2</sub> emissions figure.
  - (2) If the car's CO<sub>2</sub> emissions figure is less than the relevant threshold for the year, the appropriate percentage for the year is—
    - (a) if the year is 2012-13, 2013-14 or 2014-15 and the car's CO<sub>2</sub> emissions figure for the year does not exceed 75 grams per kilometre driven, 5%, and
    - (b) otherwise, 10%.
  - (3) If the car's CO<sub>2</sub> emissions figure is equal to the relevant threshold for the year, the appropriate percentage for the year is 11% (“the threshold percentage”).
  - (4) If the car's CO<sub>2</sub> emissions figure exceeds the relevant threshold for the year, the appropriate percentage for the year is whichever is the lesser of—
    - (a) the threshold percentage increased by one percentage point for each 5 grams per kilometre driven by which the CO<sub>2</sub> emissions figure exceeds the relevant threshold for the year, and
    - (b) 35%.
  - (5) The relevant threshold is 100 grams per kilometre driven.
  - (6) If the car's CO<sub>2</sub> emissions figure is not a multiple of 5, it is to be rounded down to the nearest multiple of 5 for the purposes of subsections (3) and (4)(a).
  - (7) This section is subject to—
    - (a) section 141 (diesel cars), and
    - (b) any regulations made by the Treasury under section 170(4) (power to reduce the appropriate percentage).”
- (3) In section 170 (Treasury orders and regulations varying various amounts)—
- (a) omit subsection (2A) (power to vary limit in section 139(3A)), and
  - (b) in subsection (3)—
    - (i) for ““lower” substitute ““ relevant ””,
    - (ii) for “the Table in section 139(4)” substitute “ section 139(5) ”, and
    - (iii) for “2006” substitute “ 2013 ”.
- (4) In consequence of the amendments made by subsections (2) and (3), omit—
- (a) in FA 2006, section 59,
  - (b) in FA 2009, in Schedule 28, paragraphs 6, 9 and 10(1), and
  - (c) in this Act, section 58(2) to (5).
- (5) The amendments made by this section have effect for the tax year 2012-13 and subsequent tax years.

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## **60 Subsidised meals for employees: salary sacrifice etc**

- (1) Section 317 of ITEPA 2003 (exemption from income tax in respect of provision for employees by employer of free or subsidised meals) is amended as follows.
- (2) In subsection (1), for “C” substitute “ D ”.
- (3) After subsection (4) insert—
  - “(4A) Condition D is that the provision is not pursuant to—
    - (a) relevant salary sacrifice arrangements, or
    - (b) relevant flexible remuneration arrangements.”
- (4) After subsection (5) insert—
  - “(5A) In this section—
    - “relevant salary sacrifice arrangements” means arrangements (whenever made, whether before or after the employment began) under which the employee gives up the right to receive an amount of general earnings or specific employment income in return for the provision of free or subsidised meals;
    - “relevant flexible remuneration arrangements” means arrangements (whenever made, whether before or after the employment began) under which the employee and employer agree that the employee is to be provided with free or subsidised meals rather than receive some other description of employment income.”
- (5) The amendments made by this section have effect for the tax year 2011-12 and subsequent tax years.

### *Corporation tax*

## **61 Sale of lessors: election out of charge**

Schedule 18 contains provision amending Chapter 3 of Part 9 of CTA 2010 (and corresponding earlier provision) to introduce a system for electing out of the charge on a qualifying change.

## **62 Accounting standards: loan relationships and derivative contracts**

Schedule 19 contains provision conferring powers on the Treasury to make regulations about cases where, in consequence of a change in accounting standards in relation to loan relationships or derivative contracts, there is a change in the way in which a company is permitted or required for accounting purposes to recognise amounts.

### *Miscellaneous*

## **63 Champions League final**

Schedule 20 contains provision exempting certain persons from income tax in respect of certain income arising in connection with the 2011 Champions League final.

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## **64 FSCS intervention in relation to insurance contracts**

- (1) The Treasury may by regulations make provision for and in connection with the application of the relevant taxes in relation to circumstances in which there is relevant intervention under the FSCS.
- (2) “Relevant intervention” means—
  - (a) anything done under, or while seeking to make, arrangements for securing continuity of insurance in connection with protected contracts of insurance,
  - (b) anything done as part of measures for safeguarding policyholders in connection with protected contracts of insurance, or
  - (c) the payment of compensation in connection with protected contracts of insurance.
- (3) In this section—

“the FSCS” means the Financial Services Compensation Scheme (established under Part 15 of FISMA 2000);

“protected contracts of insurance” has the same meaning as in the [F<sup>2</sup>PRA Handbook made by the Prudential Regulation Authority] under that Act as it has effect from time to time.
- (4) The provision that may be made by regulations under this section includes provision imposing any of the relevant taxes (as well as provisions for exemptions or reliefs).
- (5) The relevant taxes are—
  - (a) income tax,
  - (b) capital gains tax,
  - (c) corporation tax,
  - (d) inheritance tax,
  - (e) stamp duty land tax,
  - (f) stamp duty,
  - (g) stamp duty reserve tax, and
  - (h) insurance premium tax.
- (6) Regulations under this section may include provision having effect in relation to any time before they are made if the provision does not increase any person's liability to tax.
- (7) The provision made by regulations under this section may be framed as provision modifying, or applying with appropriate modifications, provisions having effect in relation to protected contracts of insurance.
- (8) Regulations under this section may, in particular—
  - (a) amend, repeal or revoke or otherwise modify any enactment or instrument (whenever passed or made),
  - (b) make different provision for different cases or otherwise for different purposes, and
  - (c) make incidental, consequential, supplementary or transitional provision.
- (9) Regulations under this section are to be made by statutory instrument.
- (10) A statutory instrument containing regulations under this section is subject to annulment in pursuance of a resolution of the House of Commons.

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### Textual Amendments

- F2** Words in s. 64(3) substituted (1.4.2013) by [The Financial Services Act 2012 \(Consequential Amendments\) Order 2013 \(S.I. 2013/636\)](#), art. 1(2), [Sch. para. 14\(2\)](#)

## 65 Stamp duty and SDRT: clearing houses

- (1) In sections 116(1)(b) and 117(1)(b) of FA 1991 (investment exchanges and clearing houses: stamp duty and SDRT), for the words after “description) of such an exchange” substitute “ or clearing house, or a nominee (or nominee of a prescribed description) of a member of such an exchange or clearing house, and ”.
- (2) The amendments made by subsection (1) are treated as always having had effect.

## 66 Alcoholic liquor duties: power to amend definition of “cider”

In section 1 of ALDA 1979 (dutiabale alcoholic liquors), after subsection (6) insert—

“(6A) The Treasury may by order made by statutory instrument amend subsection (6) above.

(6B) An order under subsection (6A) above may make—

- (a) consequential amendments in this Act or any other enactment,
- (b) other consequential provision, and
- (c) supplementary, incidental and transitional provision.

(6C) A statutory instrument containing an order under subsection (6A) above is to be laid before the House of Commons after being made; and, unless it is approved by that House before the end of the period of 28 days beginning with the date on which it is made, ceases to have effect at the end of that period (but without that affecting anything previously done under it or the making of a new order).

(6D) In reckoning that period no account is to be taken of any time—

- (a) during which Parliament is dissolved or prorogued, or
- (b) during which the House of Commons is adjourned for more than 4 days.”

## 67 Climate change levy: compatible state aid

In paragraph 42 of Schedule 6 to FA 2000 (amount payable by way of levy), after sub-paragraph (2) insert—

“(3) If a reduced-rate supply is part of an aid scheme within Article 25 of Commission Regulation [\(EC\) No. 800/2008](#), sub-paragraph (4) cites the title and publication reference of that Regulation for the purpose of complying with Article 3(1) of that Regulation.

(4) That citation is Commission Regulation [\(EC\) No. 800/2008](#) of 6 August 2008 declaring certain categories of aid compatible with the common market in application of Articles 87 and 88 of the Treaty (General block exemption Regulation) (O.J. 2008 No. L214/3) (with the reference to Articles 87 and 88 being read, as a result of the Treaty of Lisbon, as a reference to Articles 107 and 108 of the Treaty on the Functioning of the European Union).”

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## **68 Pensions: minor corrections**

- (1) Section 280(2) of FA 2004 (Part 4: index) is amended as follows.
- (2) After the definition of “active membership period (in sections 221 to 223)” insert—
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|------------------|---|
| “additional rate | section 6(2) of ITA 2007 (as applied by section 989 of that Act)” |
|------------------|---|
- (3) In the definition of “basic rate limit”, for “20(2)” substitute “ 10 ”.
- (4) After the entry relating to “higher rate” insert—
- |                    |                         |
|--------------------|-------------------------|
| “higher rate limit | section 10 of ITA 2007” |
|--------------------|-------------------------|
- (5) The amendments made by subsections (2) and (4) have effect for the tax year 2010-11 and subsequent tax years.
- (6) The amendment made by subsection (3) has effect for the tax year 2008-09 and subsequent tax years.

### *Final provisions*

## **69 Interpretation**

- (1) In this Act—
- “ALDA 1979” means the Alcoholic Liquor Duties Act 1979;
  - “BGDA 1981” means the Betting and Gaming Duties Act 1981;
  - “CAA 2001” means the Capital Allowances Act 2001;
  - “CTA 2009” means the Corporation Tax Act 2009;
  - “CTA 2010” means the Corporation Tax Act 2010;
  - “FISMA 2000” means the Financial Services and Markets Act 2000;
  - “HODA 1979” means the Hydrocarbon Oil Duties Act 1979;
  - “ICTA” means the Income and Corporation Taxes Act 1988;
  - “IHTA 1984” means the Inheritance Tax Act 1984;
  - “ITA 2007” means the Income Tax Act 2007;
  - “ITEPA 2003” means the Income Tax (Earnings and Pensions) Act 2003;
  - “ITTOIA 2005” means the Income Tax (Trading and Other Income) Act 2005;
  - “TCGA 1992” means the Taxation of Chargeable Gains Act 1992;
  - “TIOPA 2010” means the Taxation (International and Other Provisions) Act 2010;
  - “TMA 1970” means the Taxes Management Act 1970;
  - “TPDA 1979” means the Tobacco Products Duty Act 1979;
  - “VATA 1994” means the Value Added Tax Act 1994;
  - “VERA 1994” means the Vehicle Excise and Registration Act 1994.
- (2) In this Act—
- “FA”, followed by a year, means the Finance Act of that year;
  - “F(No.2)A”, followed by a year, means the Finance (No.2) Act of that year.

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**70 Short title**

This Act may be cited as the Finance Act 2010.



**Changes to legislation:**

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