



# Finance (No. 2) Act 2017

## CHAPTER 32

### FINANCE (NO. 2) ACT 2017

#### PART 1

##### DIRECT TAXES

###### *Income tax: employment and pensions*

- 1 Taxable benefits: time limit for making good
- 2 Taxable benefits: ultra-low emission vehicles
- 3 Pensions advice
- 4 Legal expenses etc
- 5 Termination payments etc: amounts chargeable on employment income
- 6 PAYE settlement agreements
- 7 Money purchase annual allowance

###### *Income tax: investments*

- 8 Dividend nil rate for tax year 2018-19 etc
- 9 Life insurance policies: recalculating gains on part surrenders etc
- 10 Personal portfolio bonds
- 11 EIS and SEIS: the no pre-arranged exits requirement
- 12 VCTs: follow-on funding
- 13 VCTs: exchange of non-qualifying shares and securities
- 14 Social investment tax relief
- 15 Business investment relief

###### *Income tax: trading and property businesses*

- 16 Calculation of profits of trades and property businesses
- 17 Trading and property allowances

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

### *Corporation tax*

- 18 Carried-forward losses
- 19 Losses: counteraction of avoidance arrangements
- 20 Corporate interest restriction
- 21 Museum and gallery exhibitions
- 22 Grassroots sport
- 23 Profits from the exploitation of patents: cost-sharing arrangements
- 24 Hybrid and other mismatches
- 25 Trading profits taxable at the Northern Ireland rate

### *Chargeable gains*

- 26 Elections in relation to assets appropriated to trading stock
- 27 Substantial shareholding exemption
- 28 Substantial shareholding exemption: institutional investors

### *Domicile, overseas property etc*

- 29 Deemed domicile: income tax and capital gains tax
- 30 Deemed domicile: inheritance tax
- 31 Settlements and transfer of assets abroad: value of benefits
- 32 Exemption from attribution of carried interest gains
- 33 Inheritance tax on overseas property representing UK residential property

### *Disguised remuneration*

- 34 Employment income provided through third parties
- 35 Trading income provided through third parties
- 36 Disguised remuneration schemes: restriction of income tax relief
- 37 Disguised remuneration schemes: restriction of corporation tax relief

### *Capital allowances*

- 38 First-year allowance for expenditure on electric vehicle charging points

### *Transactions in UK land*

- 39 Disposals concerned with land in United Kingdom

### *Co-ownership authorised contractual schemes*

- 40 Co-ownership authorised contractual schemes: capital allowances
- 41 Co-ownership authorised contractual schemes: information requirements
- 42 Co-ownership authorised contractual schemes: offshore funds

## **PART 2**

### INDIRECT TAXES

- 43 Air passenger duty: rates of duty from 1 April 2018
- 44 Petroleum revenue tax: elections for oil fields to become non-taxable
- 45 Gaming duty: rates
- 46 Remote gaming duty: freeplay
- 47 Tobacco products manufacturing machinery: licensing scheme

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

### **PART 3**

#### FULFILMENT BUSINESSES

- 48 Carrying on an imported goods fulfilment business
- 49 Requirement for approval
- 50 Register of approved persons
- 51 Regulations relating to approval, registration etc.
- 52 Disclosure of information by HMRC
- 53 Offence
- 54 Forfeiture
- 55 Penalties
- 56 Appeals
- 57 Regulations
- 58 Interpretation
- 59 Commencement

### **PART 4**

#### ADMINISTRATION, AVOIDANCE AND ENFORCEMENT

##### *Reporting and record-keeping*

- 60 Digital reporting and record-keeping for income tax etc
- 61 Digital reporting and record-keeping for income tax etc: further amendments
- 62 Digital reporting and record-keeping for VAT

##### *Enquiries*

- 63 Partial closure notices

##### *Avoidance etc*

- 64 Errors in taxpayers' documents
- 65 Penalties for enablers of defeated tax avoidance
- 66 Disclosure of tax avoidance schemes: VAT and other indirect taxes
- 67 Requirement to correct certain offshore tax non-compliance
- 68 Penalty for transactions connected with VAT fraud etc

##### *Information*

- 69 Data-gathering from money service businesses

### **PART 5**

#### FINAL

- 70 Northern Ireland welfare payments: updating statutory reference
- 71 Interpretation
- 72 Short title

---

### SCHEDULES

SCHEDULE 1 — Social investment tax relief

PART 1 — AMENDMENTS OF PART 5B OF ITA 2007

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

### *Introductory*

- 1 ITA 2007 is amended as follows.

#### *Date by which investment must be made to qualify for SI relief*

- 2 In section 257K(1)(a)(iii) (date by which investment must be made...

#### *The existing investments requirement*

- 3 After section 257LD insert— The existing investments requirement (1)  
If at the time immediately before the investment is...

#### *The no disqualifying arrangements requirement*

- 4 After section 257LE insert— The no disqualifying arrangements  
requirement (1) The investment must not be made, and money raised...  
5 (1) Section 257SH (power to require information where reason to...

#### *Limits on amounts that may be invested*

- 6 (1) In the italic heading before section 257M, after “enterprise”...

#### *Number of employees limit*

- 7 In section 257MH (the number of employees requirement), in each...

#### *Financial health requirement*

- 8 After section 257MI insert— The financial health requirement (1) The  
social enterprise must meet the financial health requirement...

#### *Purposes for which money raised can be used*

- 9 (1) Section 257MM (requirement to use money raised and to...

#### *Excluded activities*

- 10 (1) Section 257MQ (meaning of “excluded activity”) is amended as...

#### **PART 2 — CONSEQUENTIAL AMENDMENTS**

- 11 (1) ITA 2007 is amended as follows.

- 12 In Schedule 6 to FA 2015 (investment reliefs: excluded activities)...

- 13 In Part 2 of Schedule 24 to FA 2016 (tax...

#### **PART 3 — COMMENCEMENT**

- 14 (1) The amendments made by paragraphs 3 and 6 to...

- 15 The amendments made by paragraph 10— (a) so far as...

- 16 (1) Subject to sub-paragraph (3), the amendments made by paragraph...

### **SCHEDULE 2 — Trades and property businesses: calculation of profits**

#### **PART 1 — TRADES ETC: AMENDMENTS OF ITTOIA 2005**

- 1 ITTOIA 2005 is amended as follows.

- 2 For section 33A (cash basis: capital expenditure) substitute— Cash  
basis:...

- 3 In section 95A (application of Chapter 6 of Part 2...

- 4 (1) Section 96A (cash basis: capital receipts) is amended as...

- 5 After section 96A insert— Section 96A: supplementary provision (1)  
This section has effect for the purposes of section...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

- 6 In section 106D (capital receipts), for “(cash basis: capital receipts)”...
- 7 (1) Section 240C (unrelieved qualifying expenditure) is amended as follows....
- 8 After section 240C insert— Unrelieved qualifying expenditure: Part 5 of...
- 9 (1) Section 240D (assets not fully paid for) is amended...
- 10 In section 786(6) (meaning of “rent-a-room receipts”), for “(capital receipts)”...
- 11 In section 805(5) (meaning of “qualifying care receipts”), for “(capital...  
PART 2 — PROPERTY BUSINESSES: AMENDMENTS OF ITTOIA 2005
- 12 ITTOIA 2005 is amended as follows.
- 13 In Chapter 3 of Part 3 (profits of property businesses:...
- 14 In the italic heading before section 272, at the end...
- 15 After that italic heading insert— Profits of a property business:...
- 16 (1) Section 272 (profits of a property business: application of...
- 17 After section 272 insert— Application of trading income rules: cash...
- 18 After section 272ZA insert— “ Calculation of profits: other general...
- 19 In section 272A (restricting deductions for finance costs related to...
- 20 (1) Section 274 (relationship between rules prohibiting and allowing deductions)...
- 21 In section 276(5) (introduction: profits of property businesses: lease premiums...
- 22 After section 276 insert— Application of Chapter to property businesses...
- 23 In Chapter 5 of Part 3 (profits of property businesses:...
- 24 In section 311A (replacement domestic items relief), in subsection (15) —...
- 25 In section 315 (deduction for expenditure on sea walls), after...
- 26 In section 322 (commercial letting of furnished holiday accommodation), after...
- 27 After section 329 insert— Application of Chapter where cash basis...
- 28 In section 331 (income charged)— (a) the existing text becomes...
- 29 After section 334 insert— Spreading of adjustment income on leaving...
- 30 In section 351 (income charged), after subsection (2) insert—
- 31 In section 353 (basic meaning of “post-cessation receipt”), after subsection...
- 32 In section 356 (application to businesses within the charge to...
- 33 In section 786 (meaning of “rent-a-room receipts”), after subsection (6)...
- 34 In section 860 (adjustment income), in subsection (5), after “Chapter...
- 35 In section 866 (employee benefit contributions: non-trades and non-property businesses),...
- 36 In section 867 (business entertainment and gifts: non-trades and non-property...
- 37 In section 868 (social security contributions: non-trades etc), in subsection...
- 38 In section 869 (penalties, interest and VAT surcharges: non-trades etc),...
- 39 In section 870 (crime-related payments: non-trades and non-property businesses), in...
- 40 In section 872 (losses calculated on same basis as miscellaneous...
- 41 In Part 2 of Schedule 4 (index of defined expressions),...  
PART 3 — TRADES ETC: AMENDMENTS OF OTHER ACTS

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

### *TMA 1970*

- 42 In section 42 of TMA 1970 (procedure for making claims...

### *TCGA 1992*

- 43 TCGA 1992 is amended as follows.  
44 In section 37 (consideration chargeable to tax on income), after...  
45 (1) Section 41 (restriction of losses by reference to capital...  
46 (1) Section 47A (exemption for disposals by persons using cash...  
47 Section 47B (disposals made by persons after leaving cash basis)...

### *CAA 2001*

- 48 CAA 2001 is amended as follows.  
49 In section 1 (capital allowances), omit subsections (4) and (5)...  
50 After section 1 insert— Capital allowances and charges: cash basis...  
51 (1) Section 4 (capital expenditure) is amended as follows.  
52 (1) Section 59 (unrelieved qualifying expenditure) is amended as follows...  
53 (1) Section 66A (persons leaving cash basis) is amended as...  
54 After section 419 insert— Unrelieved qualifying expenditure: entry to cash...  
55 After section 431C insert— Persons leaving cash basis (1) This section applies if— (a) a person carrying on...  
56 After section 461 insert— Unrelieved qualifying expenditure: entry to cash...  
57 After section 462 insert— Persons leaving cash basis (1) This section applies if— (a) a person carrying on...  
58 After section 475 insert— Unrelieved qualifying expenditure: entry to cash...  
59 After section 477 insert— Persons leaving cash basis (1) This section applies if— (a) a person carrying on...

### *ITA 2007*

- 60 ITA 2007 is amended as follows.  
61 In Part 4 (loss relief), in section 59 (overview of...  
62 (1) Chapter 4 of Part 4 (losses from property businesses)...  
63 In Chapter 1 of Part 8 (relief for interest payments),...  
PART 4 — COMMENCEMENT AND TRANSITIONAL PROVISION  
64 (1) The amendments made by this Schedule have effect for...

### SCHEDULE 3 — Trading and property allowances

#### PART 1 — MAIN PROVISIONS

- 1 In ITTOIA 2005, after section 783 insert— PART 6A Income...

#### PART 2 — CONSEQUENTIAL AMENDMENTS

### *ITTOIA 2005*

- 2 ITTOIA 2005 is amended in accordance with paragraphs 3 to...  
3 In section 1 (overview of Act), before paragraph (a) of...  
4 In Chapter 2 of Part 2 (trading income: income taxed...  
5 In Chapter 15 of Part 2 (basis periods), after section...  
6 In section 227A (application of Chapter where cash basis used),...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

- 7 After section 227A insert— Cash basis treatment: full relief under...
- 8 After section 307F (inserted by Schedule 2 to this Act)...
- 9 In section 688 (income charged under Chapter 8 of Part...
- 10 In section 828 (overlap profit), in subsection (3), for “section...
- 11 In Part 2 of Schedule 4 (defined expressions)—

#### *TIOPA 2010*

- 12 In TIOPA 2010— (a) in section 22(8) (credit for foreign...  
PART 3 — COMMENCEMENT
- 13 The amendments made by this Schedule have effect for the...

#### SCHEDULE 4 — Relief for carried-forward losses PART 1 — AMENDMENT OF GENERAL RULES ABOUT CARRYING FORWARD LOSSES

##### *Non-trading deficits from loan relationships*

- 1 Part 5 of CTA 2009 (loan relationships) is amended as...
- 2 In the heading of Chapter 16 (non-trading deficits) at the...
- 3 In section 456 (introduction to Chapter 16) in subsection (1)—...
- 4 After section 463 insert— CHAPTER 16A Non-trading deficits: post  
1...

##### *Non-trading losses on intangible fixed assets*

- 5 (1) Section 753 of CTA 2009 (treatment of non-trading loss)...

##### *Expenses of management of investment business etc*

- 6 (1) Section 1223 of CTA 2009 (carrying forward expenses of...

##### *Trading losses*

- 7 Chapter 2 of Part 4 of CTA 2010 (trade losses)...
- 8 In section 36 (introduction to Chapter) for subsection (1) substitute—...
- 9 For the italic heading before section 37 substitute— “ Relief...
- 10 (1) Section 45 (carry forward of trade loss against subsequent...
- 11 After section 45 insert— Carry forward of post-1 April 2017...

##### *UK property business losses*

- 12 Chapter 4 of Part 4 of CTA 2010 (property losses)...
- 13 (1) Section 62 (relief for losses made in UK property...
- 14 (1) Section 63 (company with investment business ceasing to carry...  
PART 2 — RESTRICTION ON DEDUCTIONS IN RESPECT OF  
CARRIED-FORWARD LOSSES
- 15 CTA 2010 is amended as follows.
- 16 After section 269 insert— PART 7ZA Restrictions on obtaining  
certain...
- 17 (1) Section 269C (overview of Chapter 3 of Part 7A:...
- 18 (1) Section 269CA (restriction on deductions for pre-1 April 2015...
- 19 (1) Section 269CB (restriction on deductions for pre-1 April 2015...
- 20 (1) Section 269CC (restriction on deductions for pre-1 April 2015...
- 21 Section 269CD (relevant profits) is omitted.
- 22 (1) Section 269CN (definitions for the purposes of Part 7A)...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- PART 3 — GROUP RELIEF FOR CARRIED-FORWARD LOSSES
- 23 After section 188 of CTA 2010 insert— PART 5A Group...
- PART 4 — INSURANCE COMPANIES: CARRYING FORWARD BLAGAB TRADE LOSSES
- 24 Chapter 9 of Part 2 of FA 2012 (relief for...
- 25 (1) Section 124 (carry forward of BLAGAB trade losses against...
- 26 After section 124 insert— Carry forward of post-1 April 2017...
- PART 5 — CARRYING FORWARD TRADE LOSSES IN CERTAIN CREATIVE INDUSTRIES

*Losses of film trade*

- 27 Chapter 4 of Part 15 of CTA 2009 (losses of...
- 28 (1) Section 1209 (restriction on use of losses while film...
- 29 (1) Section 1210 (use of losses in later periods) is...
- 30 (1) Section 1211 (terminal losses) is amended as follows.

*Losses of television programme trade*

- 31 Chapter 4 of Part 15A of CTA 2009 (losses of...
- 32 (1) Section 1216DA (restriction on use of losses while programme...
- 33 (1) Section 1216DB (use of losses in later periods) is...
- 34 (1) Section 1216DC (terminal losses) is amended as follows.

*Losses of video game trade*

- 35 Chapter 4 of Part 15B of CTA 2009 (losses of...
- 36 (1) Section 1217DA (restriction on use of losses while video...
- 37 (1) Section 1217DB (use of losses in later periods) is...
- 38 (1) Section 1217DC (terminal losses) is amended as follows.

*Losses of theatrical trade*

- 39 Part 15C of CTA 2009 (theatrical productions) is amended as...
- 40 (1) Section 1217MA (restriction on use of losses before completion...
- 41 (1) Section 1217MB (use of losses in the completion period)...
- 42 (1) Section 1217MC (terminal losses) is amended as follows.

*Losses of orchestral trade*

- 43 Chapter 4 of Part 15D of CTA 2009 (losses of...
- 44 (1) Section 1217SA (restriction on use of losses before completion...
- 45 (1) Section 1217SB (use of losses in the completion period)...
- 46 (1) Section 1217SC (terminal losses) is amended as follows.
- PART 6 — OIL ACTIVITIES
- 47 Part 8 of CTA 2010 (oil activities) is amended as...
- 48 After section 303 insert— Introduction to sections 303B to 303D:...
- 49 (1) Section 304 (losses) is amended as follows.
- 50 (1) Section 305 (group relief) is amended as follows.
- 51 In section 307 (overview of Chapter 5 of Part 8:...
- 52 (1) Section 321 (supplement in respect of a post-commencement period)...
- 53 (1) Section 323 (meaning of “ring fence losses”) is amended...
- 54 For section 327 substitute— Reductions in respect of relief for...
- 55 In section 328A (adjustment of pool to remove pre-2013 losses...



**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

#### PART 7 — OIL CONTRACTORS

- 56 Part 8ZA of CTA 2010 (oil contractors) is amended as...
- 57 (1) Section 356NE (losses) is amended as follows.
- 58 (1) Section 356NF (group relief) is amended as follows.
- 59 After section 356NG insert— Restriction on obtaining certain deductions Restriction...

#### PART 8 — TRANSFERRED TRADES

- 61 Chapter 1 of Part 22 of CTA 2010 (transfers of...
- 62 In section 940A (overview of Chapter) in subsection (4) for...
- 63 Before section 944 (but after the italic heading preceding that...
- 64 (1) Section 944 (modified application of Chapter 2 of Part...
- 65 After section 944 insert— Modified application of section 45A (1) Subsection (2) applies if— (a) this Chapter applies to...
- 66 In section 945 (cases in which predecessor retains more liabilities...
- 67 (1) Section 951 (part of trade treated as separate trade)...
- 68 In section 952 (apportionment if part of trade treated as...

#### PART 9 — TAX AVOIDANCE

##### *Restriction on refreshing losses*

- 69 (1) Section 730F of CTA 2010 (meaning of “relevant carried-forward...

##### *Change in company ownership*

- 70 Part 14 of CTA 2010 (change in company ownership) is...
- 71 In section 672 (overview of Part) after subsection (1) insert—...
- 72 (1) Section 673 (introduction to Chapter 2: disallowance of trading...
- 73 (1) Section 674 (disallowance of trading losses) is amended as...
- 74 After section 674 insert— Section 674: exception for certain losses...
- 75 After Chapter 2 insert— CHAPTER 2A Post-1 April 2017 losses:...
- 76 After Chapter 2A insert— CHAPTER 2B Asset transferred within group:...
- 77 After Chapter 2B insert— CHAPTER 2C Disallowance of group relief...
- 78 After Chapter 2C insert— CHAPTER 2D Asset transferred within group:...
- 79 After Chapter 2D insert— CHAPTER 2E Post-1 April 2017 trade...
- 80 (1) Section 677 (introduction to Chapter 3) is amended as...
- 81 (1) Section 681 (restriction on relief for non-trading loss on...
- 82 (1) Section 685 (apportionment of amounts) is amended as follows....
- 83 (1) In section 690 (meaning of “significant increase in the...
- 84 (1) Section 692 (introduction to Chapter 4) is amended as...
- 85 In section 696 (restriction of debits to be brought into...
- 86 (1) Section 702 (apportionment of amounts) is amended as follows....
- 87 (1) Section 704 (company carrying on UK property business) is...
- 88 (1) Section 705 (company carrying on overseas property business) is...
- 89 In section 719 (meaning of “change of ownership of a...
- 90 In section 721 (when things other than ordinary share capital...
- 91 In section 727 (extended time limit for assessment) for “3”...

##### *Deduction buying*

- 92 (1) Section 730C of CTA 2010 is amended as follows....

#### PART 10 — NORTHERN IRELAND TRADING LOSSES ETC

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

- 93 Part 8B of CTA 2010 (trading profits taxable at the...
  - 94 In the italic heading before section 357JB for “section 37”...
  - 95 For sections 357JB to 357JE substitute— Availability of relief (1) The references in section 37 and sections 45A to...
  - 96 After section 357JH insert— Loss relief in relation to Northern...
  - 97 In section 357JJ (restricted deduction: Northern Ireland rate lower than...
  - 98 In section 357RF (losses of film trade: restriction on use...
  - 99 In section 357RG (losses of film trade: use of losses...
  - 100 In section 357SF (losses of television programme trade: restriction on...
  - 101 In section 357SG (losses of television programme trade: use of...
  - 102 In section 357TF (losses of video game trade: restriction on...
  - 103 In section 357TG (losses of video game trade: use of...
  - 104 In section 357UF (losses of theatrical trade: restriction on use...
  - 105 In section 357UO (losses of orchestral trade: restriction on use...
- PART 11 — MINOR AND CONSEQUENTIAL AMENDMENTS

#### *ICTA*

- 106 (1) Section 826 of ICTA (interest on tax overpaid) is...

#### *FA 1998*

- 107 Schedule 18 to FA 1998 (company tax returns, assessments and...
- 108 In paragraph 61(1)(c) (consequential claims etc arising out of certain...
- 109 In the heading of Part 8 (claims for group relief)...
- 110 For paragraph 66 (introduction to Part 8) substitute— (1) This Part of this Schedule applies to—
- 111 In paragraph 67 (claim to be included in company tax...
- 112 (1) Paragraph 68 (content of claims) is amended as follows....
- 113 (1) Paragraph 69 (claims for more or less than the...
- 114 (1) Paragraph 70 (consent to surrender) is amended as follows....
- 115 In Paragraph 71 (notice of consent) after sub-paragraph (1) insert—...
- 116 After paragraph 71 insert— Notice of consent: additional requirements where...
- 117 (1) Paragraph 72 (notice of consent requiring amendment of return)...
- 118 (1) Paragraph 73 (withdrawal or amendment of claim) is amended...
- 119 (1) Paragraph 74 (time limit for claims) is amended as...
- 120 (1) Paragraph 75A (assessment on other claimant companies) is amended...
- 121 (1) Paragraph 76 (assessment to recover excessive relief) is amended...
- 122 (1) Paragraph 77 (joint amended returns) is amended as follows....

#### *CAA 2001*

- 123 CAA 2001 is amended as follows.
- 124 (1) Section 212Q (restrictions on capital allowance buying when there...
- 125 In section 138 (deferment of balancing charge arising when there...
- 126 In Schedule A1 (first-year tax credits) in paragraph 20 (list...

#### *Energy Act 2004*

- 127 In section 27 of the Energy Act 2004 (tax exemption...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

### CTA 2009

- 128 CTA 2009 is amended as follows.
- 129 In section 39(3) (losses of mines, quarries and other concerns)—...
- 130 (1) Section 364 (group relief claims involving impaired or released...
- 131 In section 371 (group relief claims involving impaired or released...
- 132 In section 387 (treatment of deficit on basic life assurance...
- 133 (1) Section 1048 (treatment of deemed trading loss under section...
- 134 In section 1056 (amount of trading loss which is “unrelieved”)—...
- 135 In section 1062(2) (restriction on losses carried forward where R&D...
- 136 In section 1116 (meaning of “the actual reduction in tax...
- 137 In section 1153 (amount of loss which is “unrelieved”)—
- 138 In section 1158(2) (restriction on losses carried forward where land...
- 139 In section 1201 (film tax credit claimable if company has...
- 140 In section 1216CH (television tax credit claimable if company has...
- 141 In section 1217CH (video game tax credit claimable if company...
- 142 In section 1217KA (theatre tax credits: amount of surrenderable loss)...
- 143 In section 1217RH (orchestra tax credits: amount of surrenderable loss)...
- 144 In section 1223 (carry forward expenses of management and other...

### CTA 2010

- 145 CTA 2010 is amended as follows.
- 146 (1) Section 1 (overview of Act) is amended as follows....
- 147 (1) Section 17 (interpretation of Chapter 4 of Part 2)...
- 148 (1) Section 46 (use of trade-related interest and dividends if...
- 149 In section 47 (registered societies), in subsection (1), for “section...
- 150 In section 53 (leasing contracts and company reconstructions), in subsection...
- 151 In section 54 (non-UK resident company: receipts of interest, dividends...
- 152 (1) Section 56 (restriction on reliefs for limited partners) is...
- 153 (1) Section 59 (restriction on relief for members of LLPs)...
- 154 (1) Section 61 (unrelieved losses of member of LLP brought...
- 155 (1) Chapter 4 of Part 4 (property losses) is amended...
- 156 (1) Section 95 (write-off of government investment: meaning of “carry...
- 157 In section 99 (surrendering of losses and other amounts) in...
- 158 In section 104 (meaning of “non-trading loss on intangible fixed...
- 159 In section 137 (giving of group relief: deduction from total...
- 160 In section 189(2) (relief for qualifying charitable donations) at the...
- 161 In section 269DA (surcharge on banking companies) in subsection (2)...
- 162 After section 269DB insert— Meaning of “non-banking group relief for...
- 163 (1) Section 269DC (surcharge on banking companies: meaning of “non-banking...
- 164 In section 385 (sales of lessors: no carry back of...
- 165 In section 398D (sales of lessors: restrictions on use of...
- 166 In section 427 (sales of lessors: no carry back of...
- 167 (1) Chapter 5 of Part 9 (sales of lessors: anti-avoidance...
- 168 In section 599 (real estate investment trusts: calculation of profits)...
- 169 In section 601 (availability of group reliefs to a group...
- 170 In section 705E (shell companies: restriction on relief for non-trading...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

- 171 In section 705F(2) (shell companies: apportionment of amounts), in column...
- 172 In section 730C (disallowance of deductible amounts: relevant claims) in...
- 173 (1) Section 888 (restrictions on leasing partnership losses) is amended...
- 174 (1) Schedule 4 (index of defined expressions) is amended as...

#### *TIOPA 2010*

- 175 TIOPA 2010 is amended as follows.
- 176 In section 54 (double taxation relief by way of credit)...
- 177 In section 55 (double taxation relief by way of credit)...
- 178 In section 156(1) (meaning of “losses” in Part 4)—
- 179 In section 371IF (determining the profits of a CFC's qualifying...)
- 180 After section 371SK insert— Restrictions on certain deductions: deductions allowances...
- 181 In subsection (2)(a) of section 371SL (group relief etc)—

#### *F (No. 3) A 2010*

- 182 (1) In paragraph 10 of Schedule 9 to F(No.3)A 2010...

#### *FA 2012*

- 183 FA 2012 is amended as follows.
  - 184 In section 78 (meaning of expressions used in section 76),...
  - 185 In section 93 (minimum profits test), in subsection (2), in...
  - 186 In section 104 (meaning of “the adjusted amount”)—
  - 187 In section 125 (group relief), at the end insert—
  - 188 (1) Section 126 (restrictions in respect of non-trading deficit) is...
  - 189 In section 127 (no relief against policyholders' share of I-E...)
- PART 12 — COMMENCEMENT ETC

#### *Parts 1 to 9 and 11*

- 190 (1) The amendments made by Parts 1 to 9 and...
- 191 (1) This paragraph applies if— (a) an accounting period of...
- 192 (1) This paragraph applies if— (a) an accounting period of...

#### *Part 10*

- 193 Section 5(4) to (6) of CT(NI)A 2015 (commencement) has effect...

#### *Transitional provision*

- 194 (1) An amount of a non-trading deficit from a company's...

#### SCHEDULE 5 — Corporate interest restriction

##### PART 1 — NEW PART 10 OF TIOPA 2010

- 1 In TIOPA 2010, after Part 9A insert— PART 10 Corporate...
- PART 2 — NEW SCHEDULE 7A TO TIOPA 2010
- 2 In TIOPA 2010, after Schedule 7 insert— SCHEDULE 7A Interest...
- PART 3 — CONSEQUENTIAL AMENDMENTS

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*TMA 1970*

- 3 (1) In section 98 of TMA 1970 (special returns, etc),...

*FA 1998*

- 4 In paragraph 88 of Schedule 18 to FA 1998 (conclusiveness...

*CTA 2009*

- 5 In section A1 of CTA 2009 (overview of the Corporation...

*CTA 2010*

- 6 CTA 2010 is amended as follows.  
7 After section 937N (risk transfer schemes) insert— Priority For the  
purposes of this Part, the provisions of Part...  
8 In section 938N (group mismatch schemes: priority), for paragraph (e)...  
9 In section 938V (tax mismatch schemes: priority), for paragraph (d)...

*TIOPA 2010: consequential renumbering*

- 10 (1) In consequence of the insertion of a new Part...

*TIOPA 2010: repeal of Part 7*

- 11 (1) Part 7 of TIOPA 2010 (tax treatment of financing...

*TIOPA 2010: other amendments*

- 12 TIOPA 2010 is amended as follows.  
13 In section 1 (overview of Act), in subsection (1)—  
14 In section 155 (transfer pricing: “potential advantage” in relation to...  
15 In section 157 (direct participation), in subsection (1)—  
16 In section 159 (indirect participation: potential direct participant), in  
subsection...  
17 In section 160 (indirect participation: one of several major  
participants),...  
18 In section 259CB (financial instruments: hybrid or otherwise  
impermissible deduction/non-inclusion...  
19 In section 259DC (hybrid transfer deduction/non-inclusion mismatches  
and their extent),...  
20 After section 259NE (treatment of a person who is a...  
21 (1) Chapter 3 of Part 9A (CFCs: the CFC charge...  
22 (1) Chapter 9 of Part 9A (CFCs: exemption for profits...  
23 (1) Chapter 19 of Part 9A (CFCs: assumed taxable total...  
24 In Schedule 11, at the end insert— PART 7 Corporate...

PART 4 — COMMENCEMENT AND TRANSITIONAL PROVISION

*Commencement: new Part 10 of TIOPA*

- 25 (1) The corporate interest restriction amendments have effect in  
relation...

*Commencement: repeal of Part 7 of TIOPA 2010*

- 26 (1) The repeals and revocations made by paragraph 11 of...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*Time limits for elections relating to financial statements of a worldwide group*

27 (1) In section 484 of TIOPA 2010, subsection (5) (which...

*Time limit relating to appointment of reporting company or filing interest restriction return*

28 (1) Paragraph 1(4)(a) of Schedule 7A to TIOPA 2010 (notice...

*Change of accounting policy*

29 (1) For the purposes of Part 10 of TIOPA 2010...

*Adjustments under Schedule 7 to F(No.2)A 2015*

30 (1) For the purposes of Part 10 of TIOPA 2010...

*Power to make elections under Disregard  
Regulations for pre-1 April 2020 derivative contracts*

31 (1) A company which is a UK group company of...

*Qualifying infrastructure companies*

32 (1) In the case of an accounting period of a...

33 (1) This paragraph applies in the case of an accounting...

*Counteracting effect of avoidance arrangements*

34 (1) This paragraph applies in relation to section 461 of...

*Commencement of orders or regulations containing consequential provision*

35 (1) This paragraph applies in relation to any order or...

*Interpretation*

36 References in this Part of this Schedule to Part 10...

SCHEDULE 6 — Relief for production of museum and gallery exhibitions

PART 1 — AMENDMENT OF CTA 2009

1 After Part 15D of CTA 2009 insert— PART 15E Museums...

PART 2 — CONSEQUENTIAL AMENDMENTS

*ICTA*

2 (1) Section 826 of ICTA (interest on tax overpaid) is...

*FA 1998*

3 Schedule 18 to FA 1998 (company tax returns, assessments and...

4 In paragraph 10 (other claims and elections to be included...

5 (1) Paragraph 52 (recovery of excessive repayments etc) is amended...

6 In Part 9D (certain claims for tax relief)—

*CAA 2001*

7 In Schedule A1 to CAA 2001 (first-year tax credits), in...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*FA 2007*

- 8 In Schedule 24 to FA 2007 (penalties for errors), in...

*CTA 2009*

- 9 CTA 2009 is amended in accordance with paragraphs 10 to...  
10 In section 104BA (restriction on claiming other tax reliefs), after...  
11 In Part 8 (intangible fixed assets), in Chapter 10 (excluded...  
12 In section 1040ZA (restriction on claiming other tax reliefs), after...  
13 In section 1310 (orders and regulations), in subsection (4), after...  
14 In Schedule 4 (index of defined expressions), insert at the...

*FA 2009*

- 15 In Schedule 54A to FA 2009 (which is prospectively inserted...

*CTA 2010*

- 16 In Part 8B of CTA 2010 (trading profits taxable at...  
17 In Part 8B of CTA 2010, after section 357UQ insert—...  
18 (1) Schedule 4 to CTA 2010 (index of defined expressions)...

*FA 2016*

- 19 In Schedule 24 to FA 2016 (tax advantages constituting the...  
PART 3 — COMMENCEMENT  
20 Any power to make regulations conferred on the Treasury by...  
21 (1) The amendments made by the following provisions of this...  
22 (1) Section 4 of CT(NI)A 2015 (power to make consequential...

SCHEDULE 7 — Trading profits taxable at the Northern Ireland rate  
PART 1 — AMENDMENTS RELATING TO SMES

*Amendments of CTA 2010*

- 1 CTA 2010 is amended as follows.  
2 (1) Section 357H (introduction) is amended as follows.  
3 (1) Section 357KA (meaning of “Northern Ireland company”) is amended...  
4 (1) Section 357KE (Northern Ireland workforce conditions) is amended as...  
5 After section 357KE insert— Meaning of “disqualified close company” “Disqualified...  
6 In the heading of Chapter 6 of Part 8B, at...  
7 In section 357M (Chapter 6: introductory), in subsection (1), for...  
8 In the heading of Chapter 7 of Part 8B, after...  
9 In section 357N (Chapter 7: introductory), in subsection (1), after...  
10 (1) Section 357OB (Northern Ireland intangibles credits and debits: SMEs)...  
11 (1) Section 357OC (Northern Ireland intangibles credits and debits: large...  
12 (1) Section 357VB (relevant Northern Ireland IP profits: SMEs) is...  
13 (1) Section 357VC (relevant Northern Ireland IP profits: large companies)...  
14 (1) Section 357WA (meaning of “Northern Ireland firm”) is amended...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

- 15 After section 357WB, insert— Northern Ireland workforce partnership conditions (1) The Northern Ireland workforce partnership conditions, in relation to...
- 16 In section 357WC (Northern Ireland profits etc of firm determined...
- 17 (1) Section 357WD (Northern Ireland profits etc of firm determined...
- 18 In section 357WE (sections 357WC and 357WD: interpretation), omit subsection...
- 19 (1) Section 357WF (application of section 747 of CTA 2009...
- 20 (1) Section 357WG (application of Part 8A to Northern Ireland...
- 21 In Schedule 4 (index of defined expressions)—

*Amendments relating to capital allowances*

- 22 CAA 2001 is amended in accordance with paragraphs 23 and...
- 23 (1) Section 6A (“NIRE company” and “Northern Ireland SME company”)...
- 24 In the following provisions, for “a Northern Ireland SME company”...
- 25 In CT(NI)A 2015, in Schedule 1, in Part 6 (capital...  
PART 2 — MINOR AMENDMENTS
- 26 In section 357IA of CTA 2010 (power of Northern Ireland...
- 27 In section 357QB(5)(b) of that Act (tax credit: entitlement), for...
- 28 (1) Paragraph 2 of Schedule A1 to CAA 2001 (amount...
- 29 In consequence of paragraph 28, in the Corporation Tax (Northern...  
PART 3 — COMMENCEMENT ETC
- 30 (1) Any power to make regulations under Part 8B of...

SCHEDULE 8 — Deemed domicile: income tax and capital gains tax  
PART 1 — APPLICATION OF DEEMED DOMICILE RULE

*ICTA*

- 1 (1) In section 266A of ICTA (life assurance premiums paid...

*TCGA 1992*

- 2 TCGA 1992 is amended as follows.
- 3 (1) Section 16ZA (losses: non-UK domiciled individuals) is amended as...
- 4 (1) In section 16ZB (election under section 16ZA: foreign chargeable...
- 5 (1) In section 16ZC (election under section 16ZA by individual...
- 6 (1) In section 69 (trustees of settlements), after subsection (2E)...
- 7 (1) In section 86 (attribution of gains to settlors with...
- 8 (1) In section 275 (location of assets), after subsection (3)...
- 9 (1) In Schedule 5A (settlements with foreign element: information), in...

*ITEPA 2003*

- 10 (1) ITEPA 2003 is amended as follows.

*ITA 2007*

- 11 ITA 2007 is amended as follows.
- 12 (1) In section 476 (how to work out whether settlor...
- 13 (1) In section 718 (meaning of “person abroad” etc), after...
- 14 (1) Chapter A1 of Part 14 (remittance basis) is amended...



**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

- 15 (1) This paragraph applies in a case where—  
16 (1) This paragraph applies in a case where section 10A...  
17 (1) In section 834 (residence of personal representatives), at the...  
PART 2 — PROTECTION OF OVERSEAS TRUSTS

*TCGA 1992*

- 18 In Schedule 5 to TCGA 1992 (provisions supplementing section 86...

*FA 2004*

- 19 In paragraph 8 of Schedule 15 to FA 2004 (income...

*ITTOIA 2005*

- 20 Chapter 5 of Part 5 of ITTOIA 2005 (settlements) is...  
21 In section 624 (income under a settlement where settlor retains...  
22 After section 628 insert— Exception for protected foreign-source  
income (1) The rule in section 624(1) does not apply to...  
23 (1) In section 629(5) (list of exceptions), at the end...  
24 (1) Section 635 (capital sums treated under section 633 as...  
25 In section 636(1) (meaning in section 635 of “undistributed”), before...  
26 In section 645(1) (meaning of property originating from the settlor),...

*ITA 2007*

- 27 Chapter 2 of Part 13 of ITA 2007 (transfer of...  
28 In section 721 (income of a person abroad that is...  
29 After section 721 insert— Meaning of “protected foreign-source  
income” in...  
30 In section 726 (individuals to whom remittance basis applies), after...  
31 In section 728 (income of a person abroad that is...  
32 After section 729 insert— Meaning of “protected foreign-source  
income” in...  
33 In section 730 (individuals to whom remittance basis applies), after...  
34 (1) Section 731 (charge to tax on income treated as...  
35 (1) Section 732 (when income is treated as arising for...  
36 After section 733 insert— Settlor liable for section 731 charge...  
37 In section 735A(6) (matching of income on which individual charged...  
38 After section 735A insert— Settlor liable under section 733A and...

*Commencement of amendments in FA 2004, ITTOIA 2005 and ITA 2007*

- 39 The amendments made by paragraphs 19 to 38 have effect...

*FA 2008*

- 40 In Part 2 of Schedule 7 to FA 2008 (remittance...  
PART 3 — CAPITAL GAINS TAX REBASING  
41 (1) This paragraph applies to the disposal of an asset...  
42 (1) This paragraph applies for the purposes of paragraph 41(1)(c)...  
43 (1) An individual may make an election for paragraph 41...  
PART 4 — CLEANSING OF MIXED FUNDS  
44 (1) This paragraph applies for the purposes of the application...  
45 (1) This paragraph applies to a transfer made by a...  
46 (1) This paragraph applies to determine, for the purposes of...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

## SCHEDULE 9 — Settlements and transfer of assets abroad: value of benefits

### *Capital gains tax: settlements: value of benefit conferred by certain capital payments*

- 1 (1) In section 97(4) of TCGA 1992 (supplementary provisions in...

### *Income tax: transfer of assets abroad: value of certain benefits*

- 2 After section 742A of ITA 2007 insert— Value of certain...

### *Commencement*

- 3 The amendments made by this Schedule have effect in relation...

## SCHEDULE 10 — Inheritance tax on overseas property representing UK residential property

### *Non-excluded overseas property*

- 1 In IHTA 1984, before Schedule 1 insert— SCHEDULE A1 Non-excluded...

### *Consequential and supplementary amendments*

- 2 IHTA 1984 is amended as follows.  
3 In section 6 (excluded property), at the end insert—  
4 In section 48 (excluded property)— (a) in subsections (3) and...  
5 In section 65 (charge at other times), after subsection (7B)...  
6 In section 157 (non-residents' bank accounts), after subsection (3) insert  
—...  
7 In section 237 (imposition of charge), after subsection (2) insert—...  
8 In section 272 (general interpretation), in the definition of “excluded...

### *Commencement*

- 9 (1) The amendments made by this Schedule have effect in...

### *Transitional provision*

- 10 (1) Sub-paragraphs (2) and (3) apply if an amount of...  
11 (1) Sub-paragraph (2) applies if— (a) a person is liable...

## SCHEDULE 11 — Employment income provided through third parties: loans etc outstanding on 5 April 2019

### PART 1 — APPLICATION OF PART 7A OF ITEPA 2003

### *Relevant step*

- 1 (1) A person (“P”) is treated as taking a relevant...  
1A (1) This paragraph applies where— (a) a person (“P”) is...  
1B (1) This paragraph applies where— (a) a person is treated...

### *Meaning of “loan” and “quasi loan”*

- 2 (1) In this Part of this Schedule “loan” includes—

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*Meaning of “outstanding”: loans*

- 3 (1) An amount of a loan is “outstanding” for the...
- 4 (1) A payment is to be disregarded for the purposes...
- 5 (1) This paragraph applies where— (a) a person (“P”) has...

*Meaning of “outstanding”: loans in currencies other than sterling*

- 6 (1) In paragraphs 7 to 10 “the loan currency”, in...
- 7 (1) This paragraph applies in relation to a loan where...

*Repayments in currencies other than the loan currency*

- 8 (1) This paragraph applies in relation to a loan where—...

*Loans made in a depreciating currency*

- 9 (1) Paragraph 10 applies in relation to a loan where—...
- 10 (1) Where this paragraph applies in relation to a loan—...

*Meaning of “outstanding”: quasi-loans*

- 11 (1) An amount of a quasi-loan is outstanding for the...
- 12 (1) A payment or transfer is to be disregarded for...
- 13 (1) This paragraph applies where— (a) a person (“P”) has...

*Meaning of “outstanding”: quasi-loans in currencies other than sterling*

- 14 (1) Paragraphs 15 to 18 apply where P makes a...
- 15 (1) This paragraph applies in relation to the quasi-loan if...

*Repayments in currencies other than the quasi-loan currency*

- 16 (1) This paragraph applies in relation to the quasi-loan if—...

*Quasi-loans made in a depreciating currency*

- 17 (1) Paragraph 18 applies in relation to the quasi-loan if—...
- 18 (1) Where this paragraph applies in relation to the quasi-loan—...

...

- 19 (1) A loan is an “approved fixed term loan” on...
- PART 2 — ACCELERATED PAYMENTS

*Application to HMRC*

- 20 (1) The liable person in relation to a qualifying loan...

*Qualifying payments condition*

- 21 (1) The qualifying payments condition is met in relation to...

*Commercial terms condition*

- 22 (1) The commercial terms condition is met in relation to...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

...

- 23 (1) Paragraph 24(1) applies where— (a) a person (“P”) would...  
 24 (1) The relevant person may make an application to the...  
 PART 3 — EXCLUSIONS

*Commercial transactions*

- 25 Chapter 2 of Part 7A of ITEPA 2003 does not...  
 26 In section 554F of ITEPA 2003 (exclusions: commercial transactions),  
 at...

*Transfer of employment-related loans*

- 27 (1) Chapter 2 of Part 7A of ITEPA 2003 does...  
 28 In section 554OA of ITEPA 2003 (exclusions: transfer of employment-  
 related...

*Transactions under employee benefit packages*

- 29 (1) Chapter 2 of Part 7A of ITEPA 2003 does...  
 30 In section 554G of ITEPA 2003 (exclusions: transactions under  
 employee...

*Cases involving employment-related securities*

- 31 Chapter 2 of Part 7A of ITEPA 2003 does not...  
 32 In section 554N of ITEPA 2003 (exclusions: other cases involving...

*Employee car ownership schemes*

- 33 (1) This paragraph applies if— (a) there is an arrangement...  
 34 In section 554O of ITEPA 2003 (exclusions: employee car ownership...

*Acquisition of unlisted employer shares*

- 35 (1) Chapter 2 of Part 7A of ITEPA 2003 does...

*Exclusion for relevant step within paragraph 1A where initial step excluded*

- 35ZA Chapter 2 of Part 7A of ITEPA 2003 does not...  
 PART 3A — DUTY TO PROVIDE LOAN CHARGE INFORMATION TO HMRC  
 35A Duty to provide loan charge information  
 35B (1) In this paragraph “the appropriate third party” means P,...  
 35C (1) A, or A’s personal representatives, must provide the loan...  
 35D “Loan charge information”  
 35E Power to amend paragraph 35D  
 35F Penalties for failure to comply  
 35G Penalties for inaccurate information and documents  
 35H Reasonable excuse  
 35I Assessment of a penalty  
 35J Appeals  
 35K Enforcement  
 PART 4 — SUPPLEMENTARY PROVISION

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*Duty to provide loan charge information to B*

- 36 (1) This paragraph applies where— (a) a person (“P”) has...

*Double taxation*

- 36A (1) Sub-paragraphs (2) to (8) apply if—  
37 (1) Sub-paragraph (2) applies where— (a) P is treated as...  
38 In section 554Z2 of ITEPA 2003, at the end insert—...

*Remittance basis*

- 39 Part 7A of ITEPA 2003 is amended as follows.  
40 (1) Section 554Z9 (remittance basis: A does not meet section...  
41 (1) Section 554Z10 (remittance basis: A meets section 26A  
requirement)...  
42 (1) Section 554Z11 (remittance basis: supplementary) is amended in  
accordance...  
43 (1) Section 554Z11A (temporary non-residents) is amended in  
accordance with...

*Interpretation*

- 44 (1) In this Schedule, “tax avoidance arrangement” has the same...  
45 See section 554A(1)(a) and 554AA(1)(a) of ITEPA 2003 for the...  
PART 5 — CONSEQUENTIAL AMENDMENTS

*ITEPA 2003*

- 46 (1) ITEPA 2003 is amended in accordance with this paragraph....

*FA 2011*

- 47 In paragraph 59 of Schedule 2 to FA 2011 (transitional...

SCHEDULE 12 — Trading income provided through third parties: loans etc  
outstanding on 5 April 2019

*Application of sections 23A to 23H of ITTOIA 2005  
in relation to loans etc. outstanding on 5 April 2019*

- 1 (1) A loan or quasi-loan in relation to which sub-paragraph...  
1A (1) This paragraph applies where— (a) a loan or quasi-loan...

*Meaning of “loan” and “quasi loan”*

- 2 (1) In this Schedule “loan” includes— (a) any form of...

*Meaning of “outstanding”: loans*

- 3 (1) An amount of a loan is “outstanding” for the...

*Meaning of “outstanding”: loans in currencies other than sterling*

- 4 (1) In paragraphs 5 to 8 “the loan currency”, in...  
5 (1) This paragraph applies in relation to a loan where...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*Repayments in currencies other than the loan currency*

- 6 (1) This paragraph applies in relation to a loan where—...

*Loans made in a depreciating currency*

- 7 (1) Paragraph 8 applies in relation to a loan where—...  
8 (1) Where this paragraph applies in relation to a loan—...

*Meaning of outstanding: “quasi-loans”*

- 9 (1) An amount of a quasi-loan is outstanding for the...

*Meaning of “outstanding”: quasi-loans in currencies other than sterling*

- 10 (1) Paragraphs 11 to 14 apply where P makes a...  
11 (1) This paragraph applies in relation to the quasi-loan if...

*Repayments in currencies other than the quasi-loan currency*

- 12 (1) This paragraph applies in relation to the quasi-loan if—...

*Quasi-loans made in a depreciating currency*

- 13 (1) Paragraph 14 applies in relation to the quasi-loan if—...  
14 (1) Where this paragraph applies in relation to the quasi-loan—...

*Meaning of “approved fixed term loan”*

- 15 (1) A loan is an “approved fixed term loan” on...

*Approval: application to HMRC*

- 16 (1) A person may make an application to the Commissioners...

*Approval: qualifying payments condition*

- 17 (1) The qualifying payments condition is met in relation to...

*Approval: commercial terms condition*

- 18 (1) The commercial terms condition is met in relation to...

*Accelerated payments*

- 19 (1) Paragraph 20(1) applies where— (a) section 23E of ITTOIA...  
20 (1) T may make an application to the Commissioners for...

*Duty to provide loan charge information to HMRC*

- 21 (1) Paragraph 22 applies if one of the following conditions...  
22 (1) T, or T’s personal representatives, must provide the loan...

*“Loan charge information”*

- 23 (1) For the purposes of paragraph 22, the “loan...  
24 The Commissioners for Her Majesty’s Revenue and Customs may by...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*Duty to provide loan charge information: penalties*

- 25 (1) A person who fails to comply with paragraph 22...  
26 (1) This paragraph applies if— (a) in complying with the...

*Penalties under paragraph 25: reasonable excuse*

- 27 (1) Liability to a penalty under paragraph 25 does not...

*Penalties under paragraphs 25 and 26: assessment, appeals and enforcement*

- 28 (1) Where a person becomes liable for a penalty under...  
29 (1) A person may appeal against any of the following...  
30 (1) A penalty under paragraph 25 or 26 must be...

SCHEDULE 13 — Imported goods fulfilment businesses: penalty

*Liability to penalty*

- 1 (1) A penalty is payable by a person (“P”) who—...

*Amount of penalty*

- 2 (1) If the contravention is deliberate and concealed, the amount...

*Reductions for disclosure*

- 3 (1) Paragraph 4 provides for reductions in penalties under this...  
4 (1) Where P discloses a contravention, the Commissioners must reduce...

*Special reduction*

- 5 (1) If the Commissioners think it right because of special...

*Assessment*

- 6 (1) Where P becomes liable for a penalty under this...

*Reasonable excuse*

- 7 (1) Liability to a penalty does not arise under this...

*Companies: officer's liability*

- 8 (1) Where a penalty under this Schedule is payable by...

*Double jeopardy*

- 9 P is not liable to a penalty under this Schedule...

*The maximum amount*

- 10 (1) In this Schedule “the maximum amount” means £10,000.

*Appeal tribunal*

- 11 In this Schedule “appeal tribunal” has the same meaning as...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

## SCHEDULE 14 — Digital reporting and record-keeping for income tax etc: further amendments

### PART 1 — AMENDMENTS OF TMA 1970

- 1 TMA 1970 is amended as follows.
- 2 (1) Section 7 (notice of liability) is amended as follows....
- 3 (1) Section 8 (personal return) is amended as follows.
- 4 (1) Section 8A (trustee's return) is amended as follows.
- 5 In section 8B (withdrawal of notice under section 8 or...
- 6 (1) Section 9 (returns to include self-assessment) is amended as...
- 7 (1) Section 12ZH (NRCGT returns and self-assessment: section 8) is...
- 8 (1) Section 12ZI (NRCGT returns and self-assessment: section 8A) is...
- 9 In section 12AA(10A) (definitions) for “ “partnership return”” substitute “..."
- 10 In section 12AB(1) (partnership return to include partnership statement) in...
- 10A In section 12AB (1C) (further information to be included in...
- 10B In section 12ABZA (partnership returns: overseas partners in investment partnerships...
- 10BA (1) Section 12ABZAA (returns relating to LLP not carrying on...
- 10C In section 12ABZB (partnership return conclusive as to partnership shares)—...
- 11 (1) Section 12ABA (amendment of partnership return by taxpayer) is...
- 12 (1) Section 12ABB (HMRC power to correct partnership return) is...
- 13 (1) Section 12AC (notice of enquiry into partnership return) is...
- 14 (1) Section 12B (records to be kept for purposes of...
- 15 In section 28ZA(6) (referral of questions during enquiry)—
- 16 In section 28B(8) (completion of enquiry into partnership return) for...
- 17 In section 28C(3) (determination of tax where no return delivered)...
- 18 In section 28H(2)(b) (simple assessments)— (a) for the words “to...
- 19 In section 28I(2)(b) (simple assessments for trustees)—
- 20 (1) Section 29 (assessment where loss of tax discovered) is...
- 21 In section 30B(10) (amendment of partnership statement where loss of...
- 22 (1) Section 42 (procedure for making claims) is amended as...
- 23 (1) Section 59A (payments on account of income tax) is...
- 24 (1) Section 59B (payment of income tax and capital gains...
- 25 (1) Section 106C (offence of failing to deliver a return)...
- 26 In section 106D(1) (offence of making inaccurate return)—
- 27 In section 106E (exclusions from offences under sections 106B to...
- 28 In section 107A(2)(a) (trustee liability for penalties) after “section 12B...
- 29 In section 118(1) (interpretation)— (a) after the definition of “CTA...
- 30 (1) Paragraph 3 of Schedule 1AB (recovery of overpaid tax)...

### PART 2 — AMENDMENTS OF OTHER ACTS

#### *TCGA 1992*

- 31 In section 188J(2) of TCGA 1992 (the representative company of...

#### *FA 1998*

- 32 In paragraph 12(2) of Schedule 18 to FA 1998 (information...



**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*CAA 2001*

- 33 In section 201(6) of CAA 2001 (elections) after “section 12AA...

*Tax Credits Act 2002*

- 34 In section 19(4)(a) of the Tax Credits Act 2002 (power...

*ITTOIA 2005*

- 35 In section 217(2) of ITTOIA 2005 (conditions for basis period...

*ITA 2007*

- 36 In section 964(4)(b) (collection through self-assessment return) for “section 9...

*Crossrail Act 2008*

- 37 In paragraph 44(1)(a) of Schedule 13 to the Crossrail Act...

*FA 2008*

- 38 (1) Schedule 36 to FA 2008 (information and inspection powers)...

*TIOPA 2010*

- 39 TIOPA 2010 is amended as follows.  
40 In section 94(3) (information made available) in each of paragraphs...  
41 In section 95(8)(a) (interpretation of “tax return”) after “12AA of”...  
42 In section 171(5) (tax returns where transfer pricing notice given),...

*FA 2014*

- 43 FA 2014 is amended as follows.  
43A In section 227 (7A)(b) (withdrawal etc of accelerated payment notice),...  
44 In section 253(6)(c) (definition of “tax return”) after “section 12AA...  
45 (1) Schedule 31 (follower notices and partnerships) is amended as...  
46 (1) Schedule 32 (accelerated payments and partnerships) is amended as...

*FA 2016*

- 47 FA 2016 is amended as follows.  
48 (1) Schedule 18 (serial tax avoidance) is amended as follows....  
49 (1) Schedule 19 (large businesses: tax strategies and sanctions) is...

*FA 2022*

- 50 (1) Schedule 17 to FA 2022 (large businesses: notification of...

SCHEDULE 15 — Partial closure notices

*TMA 1970*

- 1 TMA 1970 is amended as follows.  
2 In section 9A (notice of enquiry), in subsection (5)—  
3 (1) Section 9B (amendment of return by taxpayer during enquiry)...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

- 4 (1) Section 9C (amendment of self-assessment during enquiry to prevent...
- 5 In section 12ZM (NRCGT returns: notice of enquiry), in subsection...
- 6 (1) Section 12ZN (NRCGT returns: amendment of return by taxpayer...
- 7 In section 12AC (partnership return: notice of enquiry), in subsection...
- 8 (1) Section 12AD (amendment of partnership return by taxpayer during...
- 9 In section 12B (records), in subsection (1)(b)(i), for “28A(1) or...
- 10 (1) Section 28ZA (referral of questions during enquiry) is amended...
- 11 In section 28ZD (effect of referral on enquiry), in subsection...
- 12 (1) Section 28A (completion of enquiry into personal, trustee or...
- 13 (1) Section 28B (completion of enquiry into partnership return) is...
- 14 In section 29 (assessment where loss of tax discovered), in...
- 15 In section 29A (NRCGT disposals: determination of amount which should...
- 16 In section 30 (recovery of overpayment of tax etc), in...
- 17 In section 30B (amendment of partnership statement where loss of...
- 18 In section 31 (appeals: right of appeal), in subsection (2)—...
- 19 In section 59AA (NRCGT disposals: payments on account of CGT),...
- 20 In section 59B (payment of income tax and capital gains...
- 21 (1) In Schedule 3ZA (date by which payment to be...

#### *TCGA 1992*

- 22 (1) Section 184I of TCGA 1992 (notices under sections 184G...

#### *FA 1998*

- 23 Schedule 18 to FA 1998 (company tax returns, assessments and...
- 24 (1) Paragraph 30 (amendment of self-assessment during enquiry to prevent...
- 25 (1) Paragraph 31 (amendment of return by company during enquiry)...
- 26 (1) Paragraph 31A (referral of questions to the tribunal during...
- 27 In paragraph 31C (effect of referral on enquiry), in sub-paragraph...
- 28 (1) Paragraph 32 (completion of enquiry) is amended as follows...
- 29 In paragraph 33 (direction to complete enquiry), in sub-paragraphs (1)...
- 30 (1) Paragraph 34 (amendment of return after enquiry) is amended...
- 31 In paragraph 42 (restriction on power to make discovery assessment...
- 32 In paragraph 44 (situation not disclosed by return or related...
- 33 In paragraph 61 (consequential claims etc), in sub-paragraphs (1)(a) and...
- 34 (1) Paragraph 88 (conclusiveness) is amended as follows.

#### *Tax Credits Act 2002*

- 35 (1) Section 20 of the Tax Credits Act 2002 (decisions...

#### *FA 2008*

- 36 In Schedule 36 to FA 2008 (information and inspection powers),...

#### *TIOPA 2010*

- 37 TIOPA 2010 is amended as follows.
- 38 (1) Section 92 (counteraction notices given after tax return made)...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

- 39 (1) Section 93 (amendment, closure notices and discovery assessments in...
- 40 In section 171 (tax returns where transfer pricing notice given),...
- 41 (1) Section 256 (notices given after tax return made), so...
- 42 (1) Section 257 (amendments, closure notices etc), so far as...
- 43 In section 371IJ (claims), in subsection (4)(b), after “completed” insert...

#### *Commencement*

- 44 The amendments made by this Schedule have effect in relation...

#### SCHEDULE 16 — Penalties for enablers of defeated tax avoidance

##### PART 1 — LIABILITY TO PENALTY

- 1 Where— (a) a person (“T”) has entered into abusive tax...

- 2 (1) Parts 2 to 4 of this Schedule define— “abusive...

##### PART 2 — “ABUSIVE” AND “TAX ARRANGEMENTS”: MEANING

- 3 (1) Arrangements are “tax arrangements” for the purposes of this...

##### PART 3 — “DEFEAT” IN RESPECT OF ABUSIVE TAX ARRANGEMENTS

#### *“Defeat” in respect of abusive tax arrangements*

- 4 T (within the meaning of paragraph 1) incurs a “defeat”...

#### *Condition A*

- 5 (1) Condition A is that— (a) T, or a person...

#### *Condition B*

- 6 (1) Condition B is that (in a case not falling...

##### PART 4 — PERSONS WHO “ENABLED” THE ARRANGEMENTS

#### *Persons who “enabled” the arrangements*

- 7 (1) A person is a person who “enabled” the arrangements...

#### *Designers of arrangements*

- 8 (1) For the purposes of paragraph 7 a person is...

#### *Managers of arrangements*

- 9 (1) For the purposes of paragraph 7 a person is...

#### *Marketers of arrangements*

- 10 For the purposes of paragraph 7 a person “marketed” the...

#### *Enabling participants*

- 11 For the purposes of paragraph 7 a person is “an...

#### *Financial enablers*

- 12 (1) For the purposes of paragraph 7 a person is...

*Changes to legislation: Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

---

*Excluded persons*

- 13 (1) A person who— (a) would (in the absence of...

*Powers to add categories of enabler and to provide exceptions*

- 14 (1) The Treasury may by regulations add to the categories...  
PART 5 — AMOUNT OF PENALTY

*Amount of penalty*

- 15 (1) For each person who enabled the arrangements mentioned in...  
16 (1) This paragraph applies for the purposes of paragraph 15....

*Reduction of penalty where other penalties incurred*

- 17 (1) The amount of a penalty for which a person...

*Mitigation of penalty*

- 18 (1) HMRC may in their discretion reduce a penalty under...  
PART 6 — ASSESSMENT OF PENALTY

*Assessment of penalty*

- 19 (1) Where a person is liable for a penalty under...  
20 (1) A penalty under paragraph 1 must be paid before...

*Special provision about assessment for multi-user schemes*

- 21 (1) This paragraph applies where— (a) a proposal for arrangements...

*Time limit for assessment*

- 22 (1) An assessment of a person as liable to a...  
PART 7 — GAAR ADVISORY PANEL OPINION, AND REPRESENTATIONS

*Requirement for opinion of GAAR Advisory Panel*

- 23 (1) A penalty under paragraph 1 may not be assessed...  
24 (1) In this Schedule a “GAAR final decision notice” means...

*Notice where Panel opinion already obtained in relation to equivalent arrangements*

- 25 (1) This paragraph applies where a designated HMRC officer is...

*Referral to GAAR Advisory Panel*

- 26 (1) A designated HMRC officer may make a referral under...  
27 (1) In this Part of this Schedule “the referral statement”,...

*Notice before decision whether to refer*

- 28 (1) A referral must not be made under paragraph 26...

*Notice of decision whether to refer*

- 29 Where a designated HMRC officer decides whether to make a...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*Information to accompany referral*

- 30 A referral under paragraph 26 must (as well as being...

*Notice on making of referral*

- 31 (1) Where a referral is made under paragraph 26, a...

*Right to make representations to GAAR Advisory Panel*

- 32 (1) A person who has received a notice under paragraph...

*Decision of GAAR Advisory Panel and opinion notices*

- 33 (1) Where a referral is made to the GAAR Advisory...  
34 (1) The sub-panel must produce— (a) one opinion notice stating...

*Notice before deciding that arrangements are ones to which Panel opinion applies*

- 35 (1) This paragraph applies where— (a) an opinion of the...

*Requirement for court or tribunal to take Panel opinion into account*

- 36 (1) In this paragraph “enabler penalty proceedings” means proceedings before...

PART 8 — APPEALS

- 37 A person may appeal against— (a) a decision of HMRC...  
38 (1) An appeal under paragraph 37 is to be treated...  
39 (1) On an appeal under paragraph 37(a) that is notified...

PART 9 — INFORMATION

*Information and inspection powers: application of Schedule 36 to FA 2008*

- 40 (1) Schedule 36 to FA 2008 (information and inspection powers)...

*General modifications of Schedule 36 to FA 2008 as applied*

- 41 In its application for a purpose mentioned in paragraph 40(1)...

*Specific modifications of Schedule 36 to FA 2008 as applied*

- 42 (1) The Schedule as it applies for a purpose mentioned...  
43 Paragraphs 50 and 51 are excluded from the application of...

*Declarations about contents of legally privileged communications*

- 44 (1) Subject to sub-paragraph (5), a declaration under this paragraph...  
45 (1) Where a person carelessly or deliberately gives any incorrect...  
PART 10 — PUBLISHING DETAILS OF PERSONS WHO HAVE INCURRED  
PENALTIES

*Power to publish details*

- 46 (1) The Commissioners may publish information about a person where  
—...  
47 (1) A penalty is a “reckonable penalty” for the purposes...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*Restrictions on power*

- 48 (1) In determining at any time whether or what information...  
 49 (1) Publication of information under paragraph 46 on the basis...  
 50 Before publishing information under paragraph 46 the Commissioners must—

*Power to amend*

- 51 The Treasury may by regulations amend this Part of this...  
 PART 11 — MISCELLANEOUS

*Double jeopardy*

- 52 A person is not liable to a penalty under paragraph...

*Application of provisions of TMA 1970*

- 53 Subject to the provisions of this Schedule, the following provisions...  
 PART 12 — GENERAL

*Meaning of “tax”*

- 54 (1) In this Schedule “tax” includes any of the following...

*Meaning of “tax advantage”*

- 55 In this Schedule “tax advantage” includes— (a) relief or increased...

*Other definitions*

- 56 (1) In this Schedule— “abusive tax arrangements” has the meaning...

*Regulations*

- 57 (1) Any regulations under this Schedule must be made by...

*Consequential amendments*

- 58 In section 103ZA of TMA 1970 (disapplication of sections 100...  
 59 In section 54 of ITTOIA 2005 (no deduction allowed for...  
 60 In section 1303 of CTA 2009 (no deduction allowed for...  
 61 In Schedule 34 to FA 2014 (promoters of tax avoidance...

*Commencement*

- 62 (1) Subject to sub-paragraphs (2) and (3), paragraphs 1 to...

SCHEDULE 17 — Disclosure of tax avoidance schemes: VAT and other indirect taxes

PART A1 — INTRODUCTION

- A1 (1) This Schedule makes provision about the disclosure of information...  
 PART 1 — DUTIES TO DISCLOSE AVOIDANCE SCHEMES ETC

*Preliminary: application of definitions*

- 1 The definitions in paragraphs 2, 3, and 7 to 10...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*“Indirect tax”*

- 2 (1) “Indirect tax” means any of the following— VAT insurance...

*“Notifiable arrangements” and “notifiable proposal”*

- 3 (1) “Notifiable arrangements” means any arrangements not excluded by sub-paragraph...  
4 (1) HMRC may apply to the tribunal for an order...  
5 (1) HMRC may apply to the tribunal for an order...

*“Tax advantage” in relation to VAT*

- 6 (1) A person (P) obtains a tax advantage in relation...

*“Tax advantage” in relation to taxes other than VAT*

- 7 “Tax advantage”, in relation to an indirect tax other than...

*“Promoter”*

- 8 (1) This paragraph describes when a person (P) is a...

*“Introducer”*

- 9 (1) A person is an introducer in relation to a...

*“Makes a firm approach” and “marketing contact”*

- 10 (1) A person makes a firm approach to another person...

*Duties of promoter in relation to notifiable proposals or notifiable arrangements*

- 11 (1) A person who is a promoter in relation to...  
12 (1) A person who is a promoter in relation to...  
13 (1) This paragraph applies where a person complies with paragraph...  
14 (1) This paragraph applies where a person complies with paragraph...  
15 Where a person is a promoter in relation to two...

*Duty of promoter: supplemental information*

- 16 (1) This paragraph applies where— (a) a promoter (P) has...

*Duty of person dealing with promoter outside United Kingdom*

- 17 (1) This paragraph applies where a person enters into any...

*Duty of parties to notifiable arrangements not involving promoter*

- 18 (1) This paragraph applies to any person who enters into...

*Duty to provide further information requested by HMRC*

- 19 (1) This paragraph applies where— (a) a person has provided...  
20 (1) This paragraph applies where HMRC— (a) have required a...

*Duty of promoters to provide updated information*

- 21 (1) This paragraph applies where— (a) information has been provided...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*Notice of potential allocation of reference number:  
arrangements and proposals suspected of being notifiable*

21A (1) This paragraph applies where— (a) HMRC have become aware...

*Allocation of reference number to arrangements*

22 (1) This paragraph applies in— (a) a sub-paragraph (2) case,...

*Duty of HMRC to notify persons of reference number*

22A (1) If a reference number is allocated in a case...

*Right of appeal: paragraph 22(3) case*

22B (1) This paragraph applies where HMRC have allocated a reference...

*Duty to provide further information requested by HMRC: paragraph 22(3) case*

22C (1) This paragraph applies where HMRC have allocated a reference...

*Duty of promoter to notify client of number : paragraph 22(2) case*

23 (1) This paragraph applies where a person who is a...

*Duty to notify client of reference number: paragraph 22(3) case*

23A (1) This paragraph applies where a person is providing (or...

*Duty of client to notify parties of number*

24 (1) In this paragraph “client” means a person to whom...

*Duty of client to provide information ...*

25 (1) This paragraph applies where a person (“ the client...

*Duty of parties to notify HMRC of reference number etc*

26 (1) Any person (P) who is a party to any...

*Duty ... to provide details of clients*

27 (1) This paragraph applies where a person who is a...

*Enquiry following disclosure of client details*

28 (1) This paragraph applies where— (a) a person (“the service...

*Pre-disclosure enquiry*

29 (1) Where HMRC suspect that a person (P) is the...

*Reasons for non-disclosure: supporting information*

30 (1) Where HMRC receive from a person (P) a statement...

*Provision of information to HMRC by introducers*

31 (1) This paragraph applies where HMRC suspect—



**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*Legal professional privilege*

- 32 (1) Nothing in this Part of this Schedule requires any...

*Information*

- 33 (1) This paragraph applies where a person is required to...  
34 (1) HMRC may specify the form and manner in which...  
35 No duty of confidentiality or other restriction on disclosure (however...  
36 (1) HMRC may publish information about— (a) any arrangements, or...  
37 (1) This paragraph applies if— (a) information about ... arrangements,...

*Power to vary certain relevant periods*

- 38 The Commissioners may by regulations amend this Part of this...  
PART 2 — PENALTIES

*Penalty for failure to comply with duties under Part 1 (apart from paragraph 26)*

- 39 (1) A person who fails to comply with any of...  
40 (1) In the case of a failure to comply with...  
41 (1) This paragraph applies where a failure to comply with...  
42 (1) The Treasury may by regulations vary—  
43 Where it appears to an officer of Revenue and Customs...

*Penalty for failure to comply with duties under paragraph 26*

- 44 (1) A person who fails to comply with—

*Penalty proceedings before First-tier tribunal*

- 45 (1) An authorised officer may commence proceedings before the First-tier...

*Assessment of penalties under paragraph 39(1)(b) or 44*

- 46 (1) Where a person is liable to a penalty under...  
47 (1) Where a person (P) is served with notice of...

*Reasonable excuse*

- 48 (1) Liability to a penalty under this Part of this...  
49 (1) The making of an order under paragraph 4 or...  
50 (1) Where a person fails to comply with—

PART 3 — CONSEQUENTIAL AMENDMENTS

*VATA 1994*

- 51 In section 77(4A) of VATA 1994 (cases in which the...

*Promoters of tax avoidance schemes*

- 52 Part 5 of FA 2014 (promoters of tax avoidance schemes)...  
53 (1) Section 281A (VAT: meaning of “tax advantage”) is amended...  
54 (1) Schedule 34A (defeated arrangements) is amended as follows.

*Changes to legislation:* Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

*Serial tax avoidance*

- 55 (1) Schedule 18 to FA 2016 (serial tax avoidance) is...  
PART 4 — SUPPLEMENTAL

*Regulations*

- 56 (1) Any power of the Treasury or the Commissioners to...

*Interpretation*

- 57 In this Schedule— “arrangements” includes any scheme, transaction or series...

SCHEDULE 18 — Requirement to correct certain offshore tax non-compliance  
PART 1 — LIABILITY FOR PENALTY FOR FAILURE TO CORRECT

*Failure to correct relevant offshore tax non-compliance*

- 1 A penalty is payable by a person who—

*Main definitions: general*

- 2 Paragraphs 3 to 13 have effect for the purposes of...

*“Relevant offshore tax non-compliance”*

- 3 (1) At the end of the 2016-17 tax year a...  
4 Condition A is that the original offshore tax non-compliance has...  
5 Condition B is that— (a) the original offshore tax non-compliance...  
6 (1) Condition C is that on the relevant date it...

*“Offshore tax-non compliance” etc*

- 7 (1) “Offshore tax non-compliance” means tax non-compliance which involves an...

*“Tax non-compliance”*

- 8 (1) “Tax non-compliance” means any of the following—

*“Involves an offshore matter” and “involves an offshore transfer”*

- 9 (1) This paragraph applies to any tax non-compliance consisting of...  
10 (1) This paragraph applies where— (a) any tax non-compliance by...  
11 (1) This paragraph applies to any tax non-compliance by a...

*“Tax”*

- 12 (1) References to “tax” are (unless in the context the...

*Correcting offshore tax non-compliance*

- 13 (1) This paragraph sets out how offshore tax non-compliance may...  
PART 2 — AMOUNT OF PENALTY

*Amount of penalty*

- 14 (1) The penalty payable under paragraph 1 is 200% of...

**Changes to legislation:** Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

---

### *Offshore PLR*

- 15 (1) In this Schedule “offshore PLR”, in relation to any...

#### *Reduction of penalty for disclosure etc by person liable to penalty*

- 16 (1) This paragraph provides for a reduction in a penalty...  
17 (1) If they think it right because of special circumstances,...

#### *Procedure for assessing penalty, etc*

- 18 (1) Where a person is found liable for a penalty...  
19 (1) An assessment of a penalty under paragraph 1 in...

### *Appeals*

- 20 A person may appeal against— (a) a decision of HMRC...  
21 (1) An appeal under paragraph 20 is to be treated...  
22 (1) On an appeal under paragraph 20(a) that is notified...

#### *Reasonable excuse*

- 23 (1) Liability to a penalty under paragraph 1 does not...

#### *Double jeopardy*

- 24 (1) Where by reason of any conduct a person—

#### *Application of provisions of TMA 1970*

- 25 Subject to the provisions of this Part of this Schedule,...
- PART 3 — FURTHER PROVISIONS RELATING TO THE REQUIREMENT TO CORRECT

#### *Extension of period for assessment etc of offshore tax*

- 26 (1) This paragraph applies where— (a) at the end of...

#### *Further penalty in connection with offshore asset moves*

- 27 (1) Schedule 21 to FA 2015 (penalties in connection with...

#### *Asset-based penalty in addition to penalty under paragraph 1*

- 28 (1) Schedule 22 to FA 2016 (asset-based penalty for offshore...  
29 (1) TMA 1970 is amended as follows.

#### *Publishing details of persons assessed to penalty or penalties under paragraph 1*

- 30 (1) The Commissioners for Her Majesty's Revenue and Customs (“the...  
31 (1) The Treasury may by regulations amend paragraph 30(2) to...
- PART 4 — SUPPLEMENTARY

#### *Interpretation: minor*

- 32 (1) In this Schedule (apart from the amendments made by...

**Changes to legislation:**

Finance (No. 2) Act 2017 is up to date with all changes known to be in force on or before 04 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to :**

- s. 60(1)-(3) coming into force by [S.I. 2021/1079 reg. 2](#)
- s. 61(1)-(5) coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 1 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 2 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 3 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 4 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 5 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 6 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 7 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 8 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 9 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 10 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 11 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 12 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 13 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 14 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 15 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 16 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 17 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 18 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 19 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 20 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 21 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 22 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 23 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 24 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 25 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 26 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 27 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 28 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 29 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 30 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 31 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 32 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 33 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 34 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 35 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 36 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 37 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 38 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 39 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 40 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 41 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 42 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 43 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 44 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 45 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 46 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 47 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 14 para. 48 coming into force by [S.I. 2021/1079 reg. 2](#)

- Sch. 14 para. 49 coming into force by [S.I. 2021/1079 reg. 2](#)
- Sch. 18 para. 15(2)(b) words inserted by [2021 c. 26 Sch. 27 para. 51](#)

**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**  
Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. A1 para. 8(6)(b) omitted by [2022 c. 3 Sch. 1 para. 32\(b\)](#)
- Sch. A1 para. 8(2) substituted by [2022 c. 3 Sch. 1 para. 32\(a\)](#)