



Finance Act 2020

2020 CHAPTER 14

PART 4

MISCELLANEOUS AND FINAL

Insolvency

98 HMRC debts: priority on insolvency

- (1) In section 386 of the Insolvency Act 1986 (preferential debts)—
 - (a) in subsection (1) after “other deposits” insert “; certain HMRC debts”;
 - (b) in subsection (1B) for “or 15BB” substitute “, 15BB or 15D”.
- (2) In Schedule 6 to that Act (preferential debts) after paragraph 15C insert—

“Category 9: Certain HMRC debts

- 15D (1) Any amount owed at the relevant date by the debtor to the Commissioners in respect of—
- (a) value added tax, or
 - (b) a relevant deduction.
- (2) In sub-paragraph (1), the reference to “any amount” is subject to any regulations under section 99(1) of the Finance Act 2020.
- (3) For the purposes of sub-paragraph (1)(b) a deduction is “relevant” if—
- (a) the debtor is required, by virtue of an enactment, to make the deduction from a payment made to another person and to pay an amount to the Commissioners on account of the deduction,
 - (b) the payment to the Commissioners is credited against any liabilities of the other person, and
 - (c) the deduction is of a kind specified in regulations under section 99(3) of the Finance Act 2020.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

- (4) In this paragraph “the Commissioners” means the Commissioners for Her Majesty's Revenue and Customs.”
- (3) In section 129(2) of the Bankruptcy (Scotland) Act 2016 (asp 21) (priority in distribution: meaning of certain expressions) in the definition of “secondary preferred debt” for “paragraph 7 or 8” substitute “ any of paragraphs 7 to 8A ”.
- (4) In Part 1 of Schedule 3 to that Act (list of preferred debts) after paragraph 8 insert—

“Certain HMRC debts

- 8A (1) Any amount owed at the relevant date by the debtor to the Commissioners in respect of—
- (a) value added tax, or
 - (b) a relevant deduction.
- (2) In sub-paragraph (1), the reference to “any amount” is subject to any regulations under section 99(1) of the Finance Act 2020.
- (3) For the purposes of sub-paragraph (1)(b) a deduction is “relevant” if—
- (a) the debtor is required, by virtue of an enactment, to make the deduction from a payment made to another person and to pay an amount to the Commissioners on account of the deduction,
 - (b) the payment to the Commissioners is credited against any liabilities of the other person, and
 - (c) the deduction is of a kind specified in regulations under section 99(3) of the Finance Act 2020.
- (4) In this paragraph “the Commissioners” means the Commissioners for Her Majesty's Revenue and Customs.”
- (5) In Article 346 of the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)) (preferential debts)—
- (a) in paragraph (1) after “other deposits” insert “ ; certain HMRC debts ”;
 - (b) in paragraph (1B) for “or 20” substitute “ , 20 or 22 ”.
- (6) In Schedule 4 to that Order (preferential debts) after paragraph 21 insert—

Category 9: Certain HMRC debts

- “22 (1) Any amount owed at the relevant date by the debtor to the Commissioners in respect of—
- (a) value added tax, or
 - (b) a relevant deduction.
- (2) In sub-paragraph (1), the reference to “any amount” is subject to any regulations under section 99(1) of the Finance Act 2020.
- (3) For the purposes of sub-paragraph (1)(b) a deduction is “relevant” if—
- (a) the debtor is required, by virtue of an enactment, to make the deduction from a payment made to another person and to pay an amount to the Commissioners on account of the deduction,

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

- (b) the payment to the Commissioners is credited against any liabilities of the other person, and
 - (c) the deduction is of a kind specified in regulations under section 99(3) of the Finance Act 2020.
- (4) In this paragraph “the Commissioners” means the Commissioners for Her Majesty's Revenue and Customs.”
- (7) The amendments made by this section do not apply in relation to any case where the relevant date is before 1 December 2020.

99 HMRC debts: regulations

- (1) The Treasury may by regulations provide that only the following amounts are secondary preferential debts (or, in relation to Scotland, secondary preferred debts) for the purpose of a relevant provision—
- (a) in the case of amounts owed in respect of value added tax, amounts referable to such period as is specified in the regulations;
 - (b) in the case of amounts owed in respect of a relevant deduction, amounts owed in respect of a deduction from a payment made during such period as is specified in the regulations.
- (2) In subsection (1) “relevant provision” means—
- (a) paragraph 15D(1) of Schedule 6 to the Insolvency Act 1986 (preferential debts: certain HMRC debts);
 - (b) paragraph 8A(1) of Schedule 3 to the Bankruptcy (Scotland) Act 2016 (asp 21) (list of preferred debts: certain HMRC debts);
 - (c) paragraph 22(1) of Schedule 4 to the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)) (preferential debts: certain HMRC debts).
- (3) The Treasury may by regulations specify kinds of deductions for the purposes of—
- (a) paragraph 15D(3)(c) of Schedule 6 to the Insolvency Act 1986;
 - (b) paragraph 8A(3)(c) of Schedule 3 to the Bankruptcy (Scotland) Act 2016 (asp 21);
 - (c) paragraph 22(3)(c) of Schedule 4 to the Insolvency (Northern Ireland) Order 1989 (S.I. 1989/2405 (N.I. 19)).
- (4) Regulations under this section may contain transitional or supplementary provision.
- (5) Regulations under this section—
- (a) are to be made by statutory instrument;
 - (b) are subject to annulment in pursuance of a resolution of the House of Commons.

Joint and several liability

100 Joint and several liability of company directors etc

- (1) Schedule 13 makes provision for individuals to be jointly and severally liable, in certain circumstances involving insolvency or potential insolvency, for amounts payable to the Commissioners for Her Majesty's Revenue and Customs by bodies corporate or unincorporate.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

- (2) A reference in Schedule 13 to a tax liability of a company does not include—
- (a) any tax liability that relates to a period ending before the day on which this Act is passed;
 - (b) any tax liability (other than one that relates to a period) arising from an event or default occurring before that day.
- (3) For the purposes of subsection (2), a tax liability relates to a period if—
- (a) the liability arises in respect of a particular tax year, accounting period or other period, or
 - (b) the amount of the liability is calculated by reference to a particular period.
- (4) A reference in paragraph 5 of Schedule 13 to a penalty does not include any penalty in respect of which the determination to impose the penalty, or (as the case may be) the commencement of proceedings before the tribunal for the penalty to be imposed, occurs before the day on which this Act is passed.

General anti-abuse rule

101 Amendments relating to the operation of the GAAR

Schedule 14 makes—

- (a) provision about the procedural requirements and time limits for the making of adjustments by virtue of section 209 of FA 2013, and
- (b) provision amending paragraph 5 of Schedule 43C to that Act.

Compensation schemes etc

102 Tax relief for scheme payments etc

Schedule 15 makes provision for tax relief in respect of—

- (a) payments made under or otherwise referable to the Windrush Compensation Scheme,
- (b) payments under the Troubles Permanent Disablement Payment Scheme, and
- (c) other compensation payments made by or on behalf of a government, public authority or local authority.

Administration

103 HMRC: exercise of officer functions

- (1) Anything capable of being done by an officer of Revenue and Customs by virtue of a function conferred by or under an enactment relating to taxation may be done by HMRC (whether by means involving the use of a computer or otherwise).
- (2) Accordingly, it follows that HMRC may (among other things)—
 - (a) give a notice under section 8, 8A or 12AA of TMA 1970 (notice to file personal, trustee or partnership return);
 - (b) amend a return under section 9ZB of that Act (correction of personal or trustee return);

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

- (c) make an assessment to tax in accordance with section 30A of that Act (assessing procedure);
 - (d) make a determination under section 100 of that Act (determination of penalties);
 - (e) give a notice under paragraph 3 of Schedule 18 to FA 1998 (notice to file company tax return);
 - (f) make a determination under paragraph 2 or 3 of Schedule 14 to FA 2003 (SDLT: determination of penalties).
- (3) Anything done by HMRC in accordance with subsection (1) has the same effect as it would have if done by an officer of Revenue and Customs (or, where the function is conferred on an officer of a particular kind, an officer of that kind).
- (4) In this section—
“HMRC” means Her Majesty's Revenue and Customs;
references to an officer of Revenue and Customs include an officer of a particular kind, such as an officer authorised for the purposes of an enactment.
- (5) This section is treated as always having been in force.
- (6) However, this section does not apply in relation to anything mentioned in subsection (1) done by HMRC if—
- (a) before 11 March 2020, a court or tribunal determined that the relevant act was of no effect because it was not done by an officer of Revenue and Customs (or an officer of a particular kind), and
 - (b) at the beginning of 11 March 2020, the order of the court or tribunal giving effect to that determination had not been set aside or overturned on appeal.

104 Returns relating to LLP not carrying on business etc with view to profit

- (1) In TMA 1970 after section 12ABZA insert—

“12ABZAA Returns relating to LLP not carrying on business etc with view to profit

- (1) This section applies where—
- (a) a person delivers a purported partnership return (“the relevant return”) in respect of a period (“the relevant period”),
 - (b) the relevant return—
 - (i) is made on the basis that the activities of a limited liability partnership (“the LLP”) are treated, under section 863 of ITTOIA 2005 or section 1273 of CTA 2009, as carried on in partnership by its members (“the purported partnership”), and
 - (ii) relates to the purported partnership, but
 - (c) the LLP does not carry on a business with a view to profit in the relevant period (and, accordingly, its activities are not treated as mentioned in paragraph (b)(i)).
- (2) For the purposes of the relevant enactments, treat the relevant return as a partnership return (and, accordingly, anything done under a relevant enactment in connection with the relevant return has the same effect as it

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

would have if done in connection with a partnership return in a corresponding partnership case).

- (3) “Relevant enactment” means—
- (a) any of the following—
 - (i) sections 12AC and 28B (enquiries into partnership returns),
 - (ii) Part 4 of FA 2014 (follower notices and accelerated payment notices), and
 - (b) any enactment relating to, or applying for the purposes of, an enactment within paragraph (a).
- (4) In relation to the relevant return, the relevant enactments apply with the necessary modifications, including in particular the following—
- (a) “partner” includes purported partner, and
 - (b) “partnership” includes the purported partnership.
- (5) In this section—
- “business” includes trade or profession;
- “corresponding partnership case” means a corresponding case in which the limited liability partnership in question carries on a business with a view to profit in the relevant period;
- “purported partner” means any person who was a member of the LLP in the relevant period;
- “purported partnership return” means anything that—
- (a) purports to be a partnership return, and
 - (b) is in a form, and is delivered in a way, that a partnership return could have been made and delivered in a corresponding partnership case.”
- (2) The amendment made by subsection (1) is treated as always having been in force.
- (3) However, that amendment does not apply in relation to a purported partnership return if—
- (a) before 11 March 2020, a court or tribunal determined, in proceedings to which a limited liability partnership was a party, that the purported partnership return was not a return under section 12AA of TMA 1970, and
 - (b) at the beginning of 11 March 2020, the order of the court or tribunal giving effect to that determination had not been set aside or overturned on appeal.
- (4) In Part 1 of Schedule 14 to F(No.2)A 2017 (digital reporting and record-keeping for income tax etc: amendments of TMA 1970), after paragraph 10B insert—

“10BA(1) Section 12ABZAA (returns relating to LLP not carrying on business etc with view to profit) is amended as follows.

(2) For subsection (2) substitute—

“(2) For the purposes of the relevant enactments—

- (a) where the relevant return purports to be a section 12AA partnership return, treat it as a section 12AA partnership return;
- (b) where the relevant return purports to be a Schedule A1 partnership return, treat it as a Schedule A1 partnership return,

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

(and, accordingly, anything done under a relevant enactment in connection with the relevant return has the same effect as it would have if done in connection with a section 12AA or Schedule A1 partnership return (as the case may be) in a corresponding partnership case).”

- (3) In subsection (5), in the definition of “purported partnership return”—
- (a) in paragraph (a), for “partnership return” substitute “section 12AA or Schedule A1 partnership return”;
 - (b) in paragraph (b), for “partnership return” substitute “section 12AA or Schedule A1 partnership return (as the case may be)”.

- (5) The reference in section 61(6) of F(No.2)A 2017 (commencement) to Schedule 14 to that Act is to be read as a reference to that Schedule as amended by subsection (4) of this section.

105 Interest on unpaid tax in case of disaster etc of national significance

- (1) Section 135 of FA 2008 (interest on unpaid tax in case of disaster etc of national significance) is amended as follows.
- (2) In subsection (2), for the words from “arising” to the end substitute “that—
- (a) arises under or by virtue of an enactment or a contract settlement, and
 - (b) is of a description (if any) specified in the order.”
- (3) In subsection (4)—
- (a) after “relief period” insert “, in relation to a deferred amount,”;
 - (b) in paragraph (b), after “revoked” insert “ or amended so that it ceases to have effect in relation to the deferred amount ”.
- (4) In subsection (10)—
- (a) at the end of paragraph (a), omit “and”;
 - (b) at the end of paragraph (b) insert “, and
 - (c) may specify different dates in relation to liabilities of different descriptions.”
- (5) The amendments made by this section have effect from 20 March 2020.

Coronavirus

106 Taxation of coronavirus support payments

- (1) Schedule 16 makes provision about the taxation of coronavirus support payments.
- (2) In this section, and in that Schedule, “coronavirus support payment” means a payment made (whether before or after the passing of this Act) under any of the following schemes—
- (a) the coronavirus job retention scheme;
 - (b) the self-employment income support scheme;
 - (c) any other scheme that is the subject of a direction given under section 76 of the Coronavirus Act 2020 (functions of Her Majesty's Revenue and Customs in relation to coronavirus or coronavirus disease);

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

- (d) the coronavirus statutory sick pay rebate scheme;
 - (e) a coronavirus business support grant scheme;
 - (f) any scheme specified or described in regulations made under this section by the Treasury.
- (3) The Treasury may by regulations make provision about [^{F1}(including provision modifying)] the application of Schedule 16 to a scheme falling within subsection [^{F2}(2)(b)] to (f) (including provision modifying paragraph 8 of that Schedule so that it applies to payments made under a coronavirus business support grant scheme).
- (4) Regulations under this section may make provision about coronavirus support payments made before (as well as after) the making of the regulations.
- (5) In this section, and in that Schedule—
- “coronavirus” and “coronavirus disease” have the meaning they have in the Coronavirus Act 2020 (see section 1 of that Act);
 - “coronavirus business support grant scheme” means any scheme (whether announced or operating before or after the passing of this Act), other than a scheme within subsection (2)(a) to (d), under which a public authority makes grants to businesses with the object of providing support to those businesses in connection with any effect or anticipated effect (direct or indirect) of coronavirus or coronavirus disease;
 - “the coronavirus job retention scheme” means the scheme (as it has effect from time to time) that is the subject of the direction given by the Treasury on 15 April 2020 under section 76 of the Coronavirus Act 2020;
 - “the coronavirus statutory sick pay rebate scheme” means the scheme (as it has effect from time to time) given effect to by the Statutory Sick Pay (Coronavirus) (Funding of Employers' Liabilities) Regulations 2020 (S.I. 2020/512);
 - “employment-related scheme” means the coronavirus job retention scheme or the coronavirus statutory sick pay rebate scheme;
 - “the self-employment income support scheme” means the scheme (as it has effect from time to time) that is the subject of the direction given by the Treasury on 30 April 2020 under section 76 of the Coronavirus Act 2020.
- (6) Examples of coronavirus business support grant schemes as at 24 June 2020 include—
- (a) the small business grant fund that is the subject of the guidance about that scheme and the retail, hospitality and leisure grant fund published by the Department for Business, Energy & Industrial Strategy on 1 April 2020;
 - (b) the retail, hospitality and leisure grant fund that is the subject of that guidance;
 - (c) the local authority discretionary grants fund that is the subject of the guidance about that scheme published by the Department for Business, Energy & Industrial Strategy on 13 May 2020;
 - (d) the schemes corresponding to the small business grant fund, retail and hospitality grant fund and local authority discretionary grants fund in Scotland, Wales and Northern Ireland.

Textual Amendments

- F1** Words in s. 106(3) inserted (with effect in accordance with s. 32(4) of the amending Act) by [Finance Act 2021 \(c. 26\), s. 32\(1\)\(a\)](#)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

F2 Word in s. 106(3) substituted (with effect in accordance with s. 32(4) of the amending Act) by [Finance Act 2021 \(c. 26\), s. 32\(1\)\(b\)](#)

[^{F3}107 Enterprise management incentives

- (1) Schedule 5 to ITEPA 2003 (enterprise management incentives) is modified in accordance with subsections (2) and (3).
- (2) Paragraph 26 (requirement as to commitment of working time) has effect as if, in sub-paragraph (3)—
 - (a) the “or” at the end of paragraph (c) were omitted, and
 - (b) at the end of paragraph (d), there were inserted
 - (e) not being required to work for reasons connected with coronavirus disease (within the meaning given by section 1(1) of the Coronavirus Act 2020).”
- (3) Paragraph 27 (meaning of “working time”) has effect as if, in sub-paragraph (1)(b), for “(d)” there were substituted “(e)”.
- (4) Section 535 of ITEPA 2003 (disqualifying events relating to employee in relation to enterprise management incentives) has effect as if, in the closing words of subsection (3), for “(d)” there were substituted “(e)”.
- (5) The modifications made by this section have effect in relation to the period—
 - (a) beginning with 19 March 2020, and
 - (b) ending with 5 April 2022.]

Textual Amendments

F3 [S. 107](#) substituted (10.6.2021) by [Finance Act 2021 \(c. 26\), s. 24](#)

108 Protected pension age of members re-employed as a result of coronavirus

- (1) In FA 2004, in Schedule 36 (pension schemes etc), paragraph 22 (rights to take benefit before normal minimum pension age) is amended as follows.
- (2) In sub-paragraph (7F), at the end of paragraph (b) insert “, and
 - (c) that the member is or was employed as mentioned in sub-paragraph (7B)(a) where—
 - (i) the employment began at any time during the coronavirus period, and
 - (ii) the only or main reason that the member was taken into employment was to help the employer to respond to the public health, social, economic or other effects of coronavirus.”
- (3) After sub-paragraph (7J) insert—

“(7K) In sub-paragraph (7F)(c)—
“coronavirus” has the same meaning as in the Coronavirus Act 2020 (see section 1(1) of that Act);

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

“the coronavirus period” means the period beginning with 1 March 2020 and ending with 1 November 2020.

(7L) The Treasury may by regulations amend the definition of “the coronavirus period” in sub-paragraph (7K) so as to replace the later of the dates specified in it with another date falling before 6 April 2021.

(7M) The power in sub-paragraph (7L) may be exercised on more than one occasion.”

(4) The amendments made by this section are treated as having come into force on 1 March 2020.

109 Modifications of the statutory residence test in connection with coronavirus

(1) This section applies for the purposes of determining—

- (a) whether an individual was or was not resident in the United Kingdom for the tax year 2019-20 for the purposes of relevant tax, and
- (b) if an individual was not so resident in the United Kingdom for the tax year 2019-20 (including as a result of this section), whether the individual was or was not resident in the United Kingdom for the tax year 2020-21 for the purposes of relevant tax.

“Relevant tax” has the meaning given by paragraph 1(4) of Schedule 45 to FA 2013 (statutory residence test).

(2) That Schedule is modified in accordance with subsections (3) to (13).

(3) Paragraph 8 (second automatic UK test: days at overseas homes) has effect as if after sub-paragraph (5) there were inserted—

“(5A) For the purposes of sub-paragraphs (1)(b) and (4), a day does not count as a day when P is present at a home of P’s in the UK if it is a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of it).”

(4) Paragraph 22 (key concepts: days spent) has effect as if—

- (a) in sub-paragraph (2), for “two cases” there were substituted “ three cases ”;
- (b) after sub-paragraph (6) there were inserted—

“(7) The third case is where—

- (a) that day falls within the period beginning with 1 March 2020 and ending with 1 June 2020,
- (b) on that day P is present in the UK for an applicable reason related to coronavirus disease, and
- (c) in the tax year in question, P is resident in a territory outside the UK (“the overseas territory”).

(8) The following are applicable reasons related to coronavirus disease—

- (a) that P is present in the UK as a medical or healthcare professional for purposes connected with the detection, treatment or prevention of coronavirus disease;
- (b) that P is present in the UK for purposes connected with the development or production of medicinal products (including

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

vaccines), devices, equipment or facilities related to the detection, treatment or prevention of coronavirus disease.

- (9) For the purposes of sub-paragraph (7)(c), P is resident in an overseas territory in the tax year in question if P is considered for tax purposes to be a resident of that territory in accordance with the laws of that territory.
- (10) The Treasury may by regulations made by statutory instrument—
- (a) amend sub-paragraph (7)(a) so as to replace the later of the dates specified in it with another date falling before 6 April 2021;
 - (b) amend this paragraph so as to add one or more applicable reasons related to coronavirus disease.
- (11) The powers under sub-paragraph (10) may be exercised on more than one occasion.
- (12) A statutory instrument containing regulations under sub-paragraph (10) is subject to annulment in pursuance of a resolution of the House of Commons.”
- (5) Paragraph 23 (key concepts: days spent and the deeming rule) has effect as if after sub-paragraph (5) there were inserted—
- “(5A) For the purposes of sub-paragraphs (3)(b) and (4), a day does not count as a qualifying day if it is a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of it).”
- (6) Paragraph 28(2) (rules for calculating the reference period) has effect as if—
- (a) in paragraph (b) the “and” at the end were omitted;
 - (b) after paragraph (b) there were inserted—
 - “(ba) absences from work at times during the period specified in an emergency volunteering certificate issued to P under Schedule 7 to the Coronavirus Act 2020 (emergency volunteering leave), and”;
 - (c) in paragraph (c), for “or (b)” there were substituted “, (b) or (ba) ”.
- (7) Paragraph 29 (significant breaks from UK or overseas work) has effect as if in sub-paragraphs (1)(b) and (2)(b), for “or parenting leave” there were substituted “, parenting leave or emergency volunteering leave under Schedule 7 to the Coronavirus Act 2020 ”.
- (8) Paragraph 32 (family tie) has effect as if after sub-paragraph (4) there were inserted—
- “(4A) But a day does not count as a day on which P sees the child if the day on which P sees the child would be a day falling within the third case in paragraph 22(7) (if P were present in the UK at the end of it).”
- (9) Paragraph 34 (accommodation tie) has effect as if after sub-paragraph (1) there were inserted—
- “(1A) For the purposes of sub-paragraph (1)—
- (a) if the place is available to P on a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

of that day), that day is to be disregarded for the purposes of sub-paragraph (b), and

- (b) a night spent by P at the place immediately before or after a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of that day) is to be disregarded for the purposes of sub-paragraph (c).”

(10) Paragraph 35 (work tie) has effect as if after sub-paragraph (2) there were inserted—

“(3) But a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of it) does not count as a day on which P works in the UK.”

(11) Paragraph 37 (90-day tie) has effect as if—

- (a) the existing text were sub-paragraph (1);
(b) after that sub-paragraph, there were inserted—

“(2) For the purposes of sub-paragraph (1), a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of it) does not count as a day P has spent in the UK in the year in question.”

(12) Paragraph 38 (country tie) has effect as if after sub-paragraph (3) there were inserted—

“(4) For the purposes of sub-paragraph (3), P is to be treated as not being present in the UK at the end of a day that would fall within the third case in paragraph 22(7) (if P were present in the UK at the end of that day).”

(13) Paragraph 145 (interpretation) has effect as if at the appropriate place there were inserted—

““coronavirus disease” has the same meaning as in the Coronavirus Act 2020 (see section 1(1) of that Act);”.

110 Future Fund: EIS and SEIS relief

(1) This section applies if an individual to whom shares in a company have been issued—

- (a) enters into a convertible loan agreement with the company under the Future Fund on or after 20 May 2020, and
(b) subsequently receives value from the company under the terms of the agreement.

(2) If, as a result of the receipt of value, any EIS relief attributable to shares issued before the relevant time would (apart from this subsection) be withdrawn or reduced under section 213 of ITA 2007, the value received is to be ignored for the purposes of that section.

(3) If, as a result of the receipt of value, any SEIS relief attributable to shares issued before the relevant time would (apart from this subsection) be withdrawn or reduced under section 257FE of ITA 2007, the value received is to be ignored for the purposes of that section.

(4) If, as a result of the receipt of value, shares issued before the relevant time would (apart from this subsection) cease to be eligible shares by reason of paragraph 13(1)

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2020, PART 4. (See end of Document for details)

(b) of Schedule 5B to TCGA 1992, the value received is to be ignored for the purposes of that paragraph.

(5) In this section—

“the Future Fund” means the scheme of that name operated from 20 May 2020 by the British Business Bank plc on behalf of the Secretary of State;

“the relevant time” means the time when the individual enters into the convertible loan agreement.

Preparing for new tax

111 Preparing for a new tax in respect of certain plastic packaging

The Commissioners for Her Majesty's Revenue and Customs may make preparations for the introduction of a new tax to be charged in respect of certain plastic packaging.

Local loans

112 Limits on local loans

(1) In section 4(1) of the National Loans Act 1968 (which sets a limit on local loans made in pursuance of section 3 of that Act)—

(a) for “£85 billion” substitute “ £115 billion ”, and

(b) for “£95 billion” substitute “ £135 billion ”.

(2) The Local Loans (Increase of Limit) Order 2019 (SI 2019/1317) is revoked.

(3) This section comes into force on such day as the Treasury may by regulations made by statutory instrument appoint.

Commencement Information

II [S. 112](#) in force at 12.5.2022 by [S.I. 2022/531](#), [reg. 2](#)

Other

113 Interpretation

In this Act the following abbreviations are references to the following Acts—

ALDA 1979	Alcoholic Liquor Duties Act 1979
CAA 2001	Capital Allowances Act 2001
CTA 2009	Corporation Tax Act 2009
CTA 2010	Corporation Tax Act 2010
FA, followed by a year	Finance Act of that year
F(No.2)A, followed by a year	Finance (No.2) Act of that year
HODA 1979	Hydrocarbon Oil Duties Act 1979

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2020, PART 4. (See end of Document for details)*

IHTA 1984	Inheritance Tax Act 1984
ITA 2007	Income Tax Act 2007
ITEPA 2003	Income Tax (Earnings and Pensions) Act 2003
ITTOIA 2005	Income Tax (Trading and Other Income) Act 2005
TCGA 1992	Taxation of Chargeable Gains Act 1992
TCTA 2018	Taxation (Cross-border Trade) Act 2018
TMA 1970	Taxes Management Act 1970
TPDA 1979	Tobacco Products Duty Act 1979
VATA 1994	Value Added Tax Act 1994
VERA 1994	Vehicle Excise and Registration Act 1994

114 Short title

This Act may be cited as the Finance Act 2020.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2020, PART 4.