

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2000, Part IV. (See end of Document for details)*

SCHEDULES

SCHEDULE 22

TONNAGE TAX

PART IV

THE TRAINING REQUIREMENT

Introduction

- 23 (1) It is a condition of entering tonnage tax or making a renewal election that—
- (a) in the case of a single company, the company, or
 - (b) in the case of a group, the group,
- meets certain minimum obligations in connection with the training of seafarers.
- (2) The provisions of this Part of this Schedule have effect for securing that result.
- [^{F1}(3) The condition mentioned in sub-paragraph (1) does not apply to—
- (a) a company that does not operate any qualifying ships, or
 - (b) a group that does not have any members that operate one or more qualifying ships.]

Textual Amendments

- F1** Sch. 22 para. 23(3) inserted (with effect in accordance with Sch. 8 para. 8 of the amending Act) by Finance Act 2024 (c. 3), Sch. 8 para. 6

The minimum training obligation

- 24 (1) The Secretary of State may make provision by regulations as to the minimum obligation of a tonnage tax company as regards the training of seafarers.
- (2) The regulations may—
- (a) require the company to provide training for a minimum number of seafarers calculated on such basis as may be prescribed, and
 - (b) impose different requirements with respect to the training of officers and ratings.
- Paragraph (b) is without prejudice to the general power to make different provision for different cases (see paragraph 36(2)(a)).
- (3) The regulations may impose such requirements as to the nationality and ordinary residence of trainees as appear to the Secretary of State to be appropriate.
- (4) References in this Part of this Schedule to “the minimum training obligation” are—

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Part IV. (See end of Document for details)

- (a) in relation to a single company, to the minimum obligation of that company, and
- (b) in relation to a group, to the minimum obligations of the qualifying companies in the group taken as a whole.

Meaning of “training commitment”

- 25 (1) References in this Part of this Schedule to a “training commitment” are to a statement by a company or group setting out how it proposes to meet the minimum training obligation.
- (2) A training commitment is not effective for the purposes of this Part of this Schedule unless approved by the Secretary of State.
- (3) Sub-paragraphs (1) and (2) are subject to—
paragraph 27(4) and (5) (power of Secretary of State to set training commitment), and
paragraph 28(2) (power of Secretary of State to adjust training commitment to take account of changed circumstances).

Approval of initial training commitment

- 26 (1) A company or group proposing to make a tonnage tax election must produce, and submit to the Secretary of State for approval, an initial training commitment.
- (2) If the Secretary of State is satisfied that the proposals are adequate to meet the minimum training obligation, he shall approve the initial training commitment and issue a certificate to that effect.
- (3) A tonnage tax election is ineffective unless such a certificate of approval is in force with respect to the training commitment of the company or group in respect of which the election is made.

Annual training commitment

- 27 (1) The Secretary of State may by regulations require a tonnage tax company or tonnage tax group—
- (a) to produce a training commitment at such annual or other intervals as may be prescribed in respect of such period as may be prescribed, and
 - (b) to submit it to the Secretary of State for approval.
- (2) If the Secretary of State is satisfied that the proposals are adequate to meet the minimum training obligation, he shall approve the training commitment and issue a certificate to that effect.
- (3) It is an offence to fail to comply with any requirement imposed by regulations under sub-paragraph (1).
- (4) The Secretary of State may make provision by regulations enabling him—
- (a) to set the training commitment for a company or group if, after such period as may be prescribed, no training commitment has been submitted to and approved by him; and

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Part IV. (See end of Document for details)

- (b) on the application of the company or group concerned, made after consultation with any prescribed person involved in the training of seafarers, to vary a training commitment set by him.
- (5) A training commitment set by the Secretary of State has effect as if submitted by the company or group and approved by him.

Supplementary provisions about training commitments

- 28 (1) The Secretary of State may make provision by regulations—
- (a) as to the form and contents of a training commitment;
 - (b) requiring an application for approval of a training commitment to be in such form and contain such information as may be prescribed;
 - (c) authorising the Secretary of State, when considering a training commitment, to consult any prescribed person involved in the training of seafarers;
 - (d) as to the procedure to be followed where the Secretary of State is minded not to approve a training commitment.
- (2) The Secretary of State may make provision by regulations—
- (a) enabling him, on the application of the company or group concerned, to adjust a training commitment (to any extent) to take account of changed circumstances;
 - (b) requiring an application for adjustment to be in such form and contain such information as may be prescribed;
 - (c) authorising the Secretary of State, when considering an application for adjustment, to consult any prescribed person involved in the training of seafarers;
 - (d) as to the procedure to be followed where the Secretary of State is minded not to make the adjustment applied for.
- (3) The Secretary of State may by regulations make such provision as he thinks appropriate as to the effect in relation to a training commitment of a merger or other transaction resulting in a change of control of one or more companies.

Payments in lieu of training

- 29 (1) The Secretary of State may make provision by regulations—
- (a) allowing a company or group, in such circumstances and to such extent as may be prescribed, to propose in its training commitment to meet the minimum training obligation by making payments in lieu of training; and
 - (b) requiring a company or group to make payments in lieu of training—
 - (i) where its training commitment provides for such payments;
 - (ii) where training is not provided in accordance with its training commitment.
- (2) The regulations shall provide for payments in lieu of training—
- (a) to be calculated on such basis as may be prescribed,
 - (b) to be made to or for the benefit of any prescribed person involved in the training of seafarers, and
 - (c) to be made at such intervals and in such manner as may be prescribed.

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Part IV. (See end of Document for details)

- (3) The regulations may provide that if in any case there is a failure in relation to a company or group to comply with the requirements of this Part of this Schedule with respect to—
- (a) the submission of training commitments, or
 - (b) the making of returns or provision of information,
- the Secretary of State may determine to the best of his information and belief the amount of the payments in lieu of training to be made by the company or group.
- (4) The regulations may provide that a payment in lieu of training that has become due but is unpaid—
- (a) is a debt due to the Secretary of State or any prescribed person involved in the training of seafarers, and
 - (b) carries interest at such rate as may be prescribed.
- (5) The regulations may provide for the costs or expenses of any legal or other proceedings for recovering the debt or interest to be recoverable, and to carry interest, in the same way as the debt.

Monitoring of compliance with training commitment

- 30 (1) The Secretary of State may make provision by regulations—
- (a) requiring a return to be made to the Secretary of State or any prescribed person involved in the training of seafarers, at such intervals as may be prescribed, of such information as may be prescribed relating to—
 - (i) the training provided, and
 - (ii) any payments in lieu of training made,
 by a tonnage tax company or tonnage tax group;
 - (b) authorising the Secretary of State to direct any person to provide such information as the Secretary of State may reasonably require for the purposes of ascertaining—
 - (i) what the minimum training obligation of a company or group should be,
 - (ii) whether the proposals in a training commitment are adequate to meet the minimum training obligation of a company or group, or
 - (iii) whether a company or group has complied with its training commitment;
 - (c) enabling an audit to be carried on on behalf of the Secretary of State of the accounts or other records—
 - (i) of a qualifying single company, or
 - (ii) of the qualifying companies in a group,
 for the purpose of checking that any return or information provided to the Secretary of State is correct.
- (2) A person commits an offence if without reasonable excuse—
- (a) he fails to make a return that he is required to make by regulations under sub-paragraph (1)(a),
 - (b) having been directed under regulations under sub-paragraph (1)(b) to provide any information, he fails to comply with the direction, or
 - (c) he obstructs a person carrying out an audit under regulations under sub-paragraph (1)(c).

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2000, Part IV. (See end of Document for details)*

Higher rate of payment in case of failure to meet training commitment

- 31 (1) The Secretary of State may by regulations provide that—
- (a) if a company fails to meet its training commitment in any period, the amount of any payments in lieu of training that fall to be made by the company in a subsequent period shall be at a higher rate; and
 - (b) if a group fails to meet its training commitment in any period, the amount of any payments in lieu of training that fall to be made by any member of the group in a subsequent period shall be at a higher rate.
- (2) The regulations may contain provision as to—
- (a) the periods by reference to which it is to be determined whether a company or group has met its training commitment;
 - (b) the circumstances in which a company or group is to be treated as failing to meet its training commitment;
 - (c) the method of calculating the higher rate of payment; and
 - (d) any circumstances in which the higher rate is not to be payable despite the failure of a company or group to meet its training commitment.
- (3) The regulations may make provision having the effect that the rate of payments in lieu of training is progressively increased if a company or group fails to meet its training commitment in successive periods.

Certificate of non-compliance

- 32 (1) The Secretary of State may by regulations make provision authorising the Secretary of State to issue a certificate of non-compliance in the following cases.
- (2) The regulations may authorise the issue of a certificate of non-compliance in respect of a single company if—
- (a) the company fails to meet its training commitment for successive periods amounting to not less than two years, or
 - (b) the company, or any of its officers, commits an offence under this Schedule.
- (3) The regulations may authorise the issue of a certificate of non-compliance in respect of a group if—
- (a) the group fails to meet its training commitment for successive periods amounting to not less than two years, or
 - (b) a member of the group, or an officer of a member, commits an offence under this Schedule.
- (4) If such regulations are made they shall provide that a certificate of non-compliance must be issued unless the Secretary of State is satisfied that there are good reasons why a certificate should not be issued.
- (5) No renewal election may be made in respect of a company or group in relation to which a certificate of non-compliance is in force.

Certificates of non-compliance: supplementary provisions

- 33 (1) The Secretary of State may make provision by regulations—

Changes to legislation: There are currently no known outstanding effects for the Finance Act 2000, Part IV. (See end of Document for details)

- (a) enabling a company or group in respect of which a certificate of non-compliance has been issued to apply to the Secretary of State to cancel the certificate;
 - (b) requiring any such application to be in such form and contain such information as may be prescribed;
 - (c) authorising or requiring the Secretary of State, when considering such an application, to consult any prescribed person involved in the training of seafarers;
 - (d) as to the procedure to be followed where the Secretary of State is minded not to cancel a certificate of non-compliance.
- (2) The Secretary of State may by regulations make such provision as he thinks appropriate as to the effect on a certificate of non-compliance of a merger or demerger relating to the company or group in respect of which the certificate is in force.

Disclosure of information

- 34 (1) No obligation as to secrecy or other restriction on the disclosure of information imposed by statute or otherwise prevents the disclosure of information—
- (a) by the Secretary of State to the Inland Revenue for the purpose of assisting the Inland Revenue to discharge their functions under the Corporation Tax Acts so far as relating to matters arising under this Schedule, or
 - (b) by the Inland Revenue to the Secretary of State for the purpose of assisting the Secretary of State to discharge his functions under this Part of this Schedule.
- (2) No obligation as to secrecy or other restriction on the disclosure of information imposed by statute or otherwise prevents the disclosure of information—
- (a) by the Secretary of State to any prescribed person involved in the training of seafarers, or
 - (b) by any such person to the Secretary of State,
- for the purposes of assisting the Secretary of State to discharge his functions under this Part of this Schedule.
- (3) Information obtained by such disclosure as is mentioned in sub-paragraph (1) or (2) shall not be further disclosed except for the purposes of legal proceedings arising out of the functions referred to.

Modifications etc. (not altering text)

- C1** Sch. 22 para. 34(2) applied (31.8.2000) by S.I. 2000/2129, **reg. 25**
- C2** Sch. 22 para. 34(3) powers of disclosure extended (14.12.2001) by 2001 c. 24, s. 17, **Sch. 4 Pt. I para. 49**

Offences

- 35 (1) It is an offence for a person to provide for any of the purposes of this Part of this Schedule information that he knows or has reasonable cause to believe is false in a material particular.
- (2) A person committing any offence under this Part of this Schedule, is liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum, and

*Changes to legislation: There are currently no known outstanding effects
for the Finance Act 2000, Part IV. (See end of Document for details)*

- (b) on conviction on indictment, to a fine.

General provisions about regulations

- 36 (1) Regulations under this Part of this Schedule shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of the House of Commons.
- (2) Regulations under this Part of this Schedule—
- (a) may make different provision for different cases, and
 - (b) may contain such supplementary, incidental and transitional provisions as appear to the Secretary of State to be necessary or expedient.
- (3) In this Part of this Schedule “prescribed” means prescribed by regulations made by the Secretary of State.
- (4) Regulations under this Part of this Schedule may make provision as to the obligations of a company in respect of any part of the period—
- (a) beginning with 1st January 2000, and
 - (b) ending immediately before the first regulations under this Part come into force,
- during which the company is, or is treated as having been, subject to tonnage tax.
- This includes power to require payments in lieu of training to be made in respect of any such part of that period.

Changes to legislation:

There are currently no known outstanding effects for the Finance Act 2000, Part IV.