FINANCE ACT 2016

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3 In the heading of Chapter 3 of Part 4, for...
4 In section 382(2) (other contents of Chapter 3 of Part...  
5 Omit section 384(3) (which refers to section 398).
6 Omit section 393(5) (determining entitlement to tax credit).
7 In section 394 (which deems a distribution to be made)—...
8 In section 395(3) (interpretation of section 395(2)) omit the words...
9 For section 396A(2)(b) (alternative receipt treated as qualifying distribution for... 
10 In the italic heading before section 397, omit “Tax credits... 
11 (1) Section 399 (qualifying distribution received by person not entitled... 
12 (1) Section 401 (relief: qualifying distribution after linked non-qualifying distribution)... 
13 Omit section 401A (recovery of overpaid tax credit etc). 
14 In section 401B (power to obtain information for the purposes... 
15 Omit sections 406(4A) and 407(4A) (determining entitlement to tax credit).... 
16 In section 408(2A) (interpretation of section 408(2)) omit the words... 
17 In section 411(2) (stock dividends: amount on which tax charged)... 
18 In section 416 (released debts: amount on which tax charged)—.... 
19 In section 418(3) (release of loan: tax only on grossed-up... 
20 In section 651 (meaning of “UK estate” and “foreign estate”)—.... 
21 In section 657 (tax charged on estate income from foreign... 
22 In section 663 (applicable rate for purposes of grossing-up under... 
23 In section 670 (applicable rate for purposes of Step 2... 
24 In section 680 (income of an estate that is treated... 
25 In section 680A (estate income treated as dividend income), in... 
26 In section 854(6) (carrying on by partner of notional business).... 
27 Omit section 858(3) (partnerships with foreign element: entitlement to tax... 
28 Further amendments in CTA 2010 
29 (1) Section 279F (ring fence profits: related 51% group company)... 
30 (1) Section 279G (ring fence profits: meaning of “augmented profits”)...
31 For section 463(7) (loan to trustees of settlement which has... 
32 (1) Section 549 (distributions: supplementary) is amended as follows. 
33 (1) Section 751 (interpretation of Part 15 (transactions in securities))... 
34 Omit section 814D(8) (which excludes entitlement to tax credits). 
35 Omit section 997(5) (which introduces sections 1109 to 1111). 
36 In sections 1026(1)(b) and 1027(2)(b) (cases where amount paid up... 
37 (1) Section 1070 (distributions by company carrying on mutual business)... 
38 (1) Section 1071 (company not carrying on business) is amended... 
39 (1) Section 1100 (qualifying distribution: right to request a statement)... 
40 (1) Section 1101 (non-qualifying distributions etc: returns and information) is...
41 In section 1103 (regulations about information about non-qualifying distributions)—
42 (1) Section 1106 (interpretation of sections 1104 and 1105) is...
43 Omit sections 1110 and 1111 (recovery of overpaid tax credits)... 
44 (1) Section 1115 (meaning of “new consideration” in Part 23)... 
45 In section 1119 (definitions for the purposes of the Corporation... 
46 Omit section 1126 (meaning of “franked investment income”). 
47 Omit section 1136 (meaning of “qualifying distribution”). 
48 Omit section 1139(4) (“relief” includes tax credit). 
49 In Schedule 2 (transitionals and savings etc) omit paragraph 106(1)... 
50 In Schedule 4 (index of defined expressions) omit the entries... 
51 Other amendments 
52 (1) ICTA is amended as follows. (2) Omit section 231B...
53 In FA 1988, in Schedule 13 omit paragraph 7(c) (post-consolidation...  
54 In FA 1989— (a) omit section 115 (double taxation: tax...  
55 In FA 1993 omit section 171(2B) (which excludes entitlement to...  
56 In FA 1994 omit section 219(4B) (which excludes entitlement to...  
57 (1) F(No.2)A 1997 is amended as follows.  
58 (1) FA 1998 is amended as follows.  
59 In the Commonwealth Development Corporation Act 1999, in Schedule 3...  
60 In the Financial Services and Markets Act 2000 (Consequential Amendments)...  
61 (1) ITEPA 2003 is amended as follows.  
62 In ITTOIA 2005, in Schedule 1 (minor and consequential amendments)...  
63 (1) ITA 2007 is amended as follows.  
64 In FA 2008, in Schedule 12 (amendments relating to tax...  
65 (1) CTA 2009 is amended as follows.  
66 (1) FA 2009 is amended as follows.  
67 In Schedule 1 to CTA 2010 (minor and consequential amendments)...  
68 (1) TIOPA 2010 is amended as follows.  
69 In FA 2011— (a) in Part 6 of Schedule 23...  
70 In FA 2012, in section 169(2) (payments by certain friendly...  
71 In FA 2013— (a) in paragraph 6(2) of Schedule 19...  
72 In FA 2015, in section 19— (a) in subsection (1),...  

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2 Income tax: limited exemption for sporting testimonial payments
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4 (1) In Schedule 3 to ITEPA 2003 (SAYE option schemes),...
5 (1) In Schedule 4 to ITEPA 2003 (CSOP schemes), Part...
6 Price for acquisition of shares under share option
7 (1) In Schedule 4 to ITEPA 2003 (CSOP schemes), paragraph...
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14 Issuing of reference numbers for fixed or individual protection 2016
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   PART 4 — INFORMATION
21 Preservation of records in connection with individual protection 2016
22 Amendments of regulations
23 In regulation 2(1) (interpretation)— (a) after the entry for “fixed... 
24 (1) In the table in regulation 3(1) (provision of event...
25 (1) Regulation 11 (information provided to scheme administrator by member...
26 After regulation 14B insert— Individual protection 2016: provision of information...
27 In consequence of paragraph 24(4), in each of—
   PART 5 — AMENDMENTS IN CONNECTION WITH PROTECTION OF PRE-6 
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28 (1) In Part 1 of Schedule 29 to FA 2004...
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2 (1) Section 636A of ITEPA 2003 (exemption for certain lump... 
3 (1) In consequence of the amendment made by paragraph 1(2),...
4 The amendments made by paragraphs 1 to 3 have effect...
5 Charity lump sum death benefits
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8 (1) Section 636B of ITEPA 2003 (taxation of trivial commutation,...
9 The amendments made by paragraphs 7 and 8 have effect...
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11 Inheritance tax as respects cash alternatives to annuities for dependants etc

SCHEDULE 6 — Deduction of income tax at source
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1 In Chapter 2 of Part 15 of ITA 2007 (deduction...

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2 In section 876 of ITA 2007 (interest paid by deposit-takers),...

PART 3 — AMENDMENTS OF OR RELATING TO CHAPTER 2 OF PART 15 OF ITA 2007

3 Amendments of Chapter 2 of Part 15 of ITA 2007

4 For the Chapter heading substitute “Meaning of “relevant investment” for...

5 (1) Section 850 (overview of Chapter) is amended as follows....

6 Omit section 852 (power to disapply section 851).

7 In section 853(1) (meaning of “deposit-taker”), after “In this Chapter”...

8 In section 854(3) (meaning of “relevant investment” in section 851(1) (b)),...

9 For section 855(1) (meaning of “investment”) substitute—

10 (1) Section 856 (meaning of “relevant investment”) is amended as...

11 In section 857 (treating investments as being or not being...

12 Omit— (a) sections 858 to 861 (investments which are not...

13 In the italic heading preceding section 863, for “Other investments”...

14 In sections 863, 864, 865 and 868(4) (investments with deposit-takers...

15 Omit sections 868(3), 869 and 870(2) (investments with building societies),...

16 Omit section 871 (power to make regulations to give effect...

17 In section 872 (power to amend Chapter)—

18 Omit section 873(3) to (6) (interpretation of section 861).

19 Amendments relating to Chapter 2 of Part 15 of ITA 2007

20 (1) In section 564Q(1) of ITA 2007 (alternative finance return:...

21 In section 847 of ITA 2007 (overview of Part 15)—...

22 In section 946 of ITA 2007 (collection of tax deducted...

23 In Schedule 2 to ITA 2007 omit paragraphs 154 to...

24 In Schedule 4 to ITA 2007 (index of defined expressions)—...

25 In consequence of the amendments made by Part 1 of...

PART 4 — DEDUCTION OF TAX FROM UK PUBLIC REVENUE DIVIDENDS

26 In section 877 of ITA 2007 (duty to deduct under...

27 (1) Chapter 5 of Part 15 of ITA 2007 (deduction...

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28 (1) The amendments made by Parts 1 and 3 of...

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2 Non-market loans

3 Transfer pricing

4 In section 693 (derivative contracts: bringing transfer-pricing adjustments into account),...

5 Exchange gains and losses

6 In section 448 (exchange gains and losses on debtor relationships:....

7 In section 449 (exchange gains and losses on creditor relationships:....

8 In section 451 (exception to section 449 where loan exceeds...

9 (1) Section 452 (exchange gains and losses where loan not...

10 After section 475A insert— Meaning of “matched” Meaning of “matched”...
11 (1) Section 694 (derivative contracts: exchange gains and losses) is...
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SCHEDULE 8 — Tax relief for production of orchestral concerts
PART 1 — AMENDMENT OF CTA 2009
1 After Part 15C of CTA 2009 insert— PART 15D Orchestra...
PART 2 — CONSEQUENTIAL AMENDMENTS
2 ICTA
3 FA 1998
4 In paragraph 10 (other claims and elections to be included...
23  (1) Section 357GE (other interpretation) is amended as follows.
24  In Schedule 4 (index of defined expressions)—

SCHEDULE 10 — Hybrid and other mismatches
   PART 1 — MAIN PROVISIONS
   1 In TIOPA 2010, after Part 6 insert— PART 6A Hybrid...
   PART 2 — CONSEQUENTIAL AMENDMENTS
   2 FA 1998
   3 In paragraph 25(3)— (a) insert “or” at the end of...
   4 In paragraph 42(4)— (a) insert “or” at the end of...
   5 CTA 2009
   6 CTA 2010
   7 In section 938N (group mismatch schemes: priority)—
   8 In section 938V (tax mismatch schemes: priority)—
   9 TIOPA 2010
   10 In section 1 (overview of Act), in subsection (1)—
   11 In section 157 (direct participation), in subsection (1)—
   12 In section 158 (indirect participation: defined by sections 159 to...
   13 In section 159 (indirect participation: potential direct participant), in...
   14 In section 160 (indirect participation: one of several major participants),...
   15 Omit Part 6 (tax arbitrage).
   16 Omit Part 4 of Schedule 11 (tax arbitrage: index of...
   17 After that Part of that Schedule insert— PART 4A Hybrid...
   PART 3 — COMMENCEMENT
   18 Chapters 3 to 5 and 7 and 8 of Part...
   19 Chapter 6 of Part 6A of TIOPA 2010 (counteraction of...
   20 Chapters 9 and 10 of Part 6A of TIOPA 2010...
   21 Chapter 11 of Part 6A of TIOPA 2010 (imported mismatch...
   22 The following provisions of this Schedule have effect in relation...
   23 For the purposes of paragraph 18 and 21, where a...
   24 For the purposes of paragraphs 19, 20 and 22(b), where...
   25 In this Part of this Schedule “the commencement date” means...

SCHEDULE 11 — Disposals of non-UK residential property interests
   1 TCGA 1992 is amended in accordance with this Schedule.
   2 In section 14B(1) (meaning of “non-resident CGT disposal”), in...
   paragraph...
   3 Omit section 14C (which introduces Schedule B1 and is superseded...
   4 In Schedule B1 (disposals of UK residential property interests), in...
   5 After Schedule B1 insert— SCHEDULE BA1 Disposals of non-UK...

SCHEDULE 12 — Disposals of residential property interests: gains and losses
   1 TCGA 1992 is amended in accordance with this Schedule.
   2 In section 57A(3) (gains and losses on relevant high value...
   3 After section 57B insert— CHAPTER 7 Computation of gains and...
   4 In Schedule B1 (disposals of UK residential property interests), in...
   5 After Schedule 4ZZB insert— SCHEDULE 4ZZC Disposals of...

SCHEDULE 13 — Entrepreneurs’ relief: “trading company” and “trading group”
1. TCGA 1992 is amended as follows.
2. In section 169H(7) (introduction), for “Section 169S contains” substitute “Sections...”
3. In section 169S (interpretation of Chapter), subsection (4A) is treated...
4. After section 169S insert— Meaning of “trading company” and “trading...”
5. After Schedule 7 insert— SCHEDULE 7ZA Entrepreneurs’ relief: “trading company”...
6. (1) The amendments made by this Schedule (except paragraph 3)...
11 In section 122 (index of defined expressions), at the appropriate...
12 In Schedule 4A (SDLT: higher rate for certain transactions), in...
13 In Schedule 6B (transfers involving multiple dwellings), in paragraph 2(4)(b)... 
14 (1) In Schedule 17A (further provisions relating to leases), paragraph...
   PART 4 — COMMENCEMENT
15 (1) The amendments made by Parts 2 and 3 of...

SCHEDULE 17 — Aqua methanol etc
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   1 Introductory
   2 Definition
   3 In section 2A (power to amend definitions), in subsection (1),...
   4 Charging of excise duty
   5 In section 6A (fuel substitutes), in subsection (1)—
   6 Mixing of aqua methanol
   7 Enforcement
   8 Consequential amendments
   9 In section 27(1) (interpretation), before the definition of “aviation gasoline”...
   10 In section 16 of FA 1994 (appeals to a tribunal),...
   11 In paragraph 3 of Schedule 41 to FA 2008 (penalties... 
   PART 2 — HYDROCARBON OILS: MISCELLANEOUS AMENDMENTS
   12 HODA 1979
   13 FA 1994
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14 The amendments made by this Schedule come into force—

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   1 In this Schedule— (a) Part 2 provides for HMRC to...
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   2 Duty to give warning notice
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   5 Meaning of “tax advantage” in relation to VAT
   6 Meaning of “non-deductible tax”
   7 “Tax advantage”: other taxes
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   10 Paragraphs 8 and 9: “failure to comply”
   11 “Relevant defeat”
   12 Condition A
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56 Inheritance tax
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60 In section 212 of FA 2014 (follower notices: aggregate penalties),...
61 (1) The Social Security Contributions and Benefits Act 1992 is...
62 In the Social Security Contributions and Benefits (Northern Ireland) Act...
63 Commencement
64 (1) A relevant defeat is to be disregarded for the...
65 (1) A warning notice given to a person is to...

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“UK permanent establishment”
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(1) A “group other than an MNE group” means a...
A group is headed by whichever relevant body within the...
“Qualifying group”
“UK sub-group” and “head” (in relation to a UK sub-group)
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Content of group tax strategy
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Content of a sub-group tax strategy
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Penalties under this Part: general provisions
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Large groups falling within Part 3
(1) A UK group has “engaged in unco-operative behaviour” if—...
(1) A member of a UK group has, or two...
(1) A member of a UK group has “satisfied the...
(1) There is a significant tax issue in respect of...
The references in paragraphs 36 to 39 to things done...
Warning notices
Special measures notices
(1) A special measures notice— (a) may be withdrawn by...
(1) This paragraph applies to a UK group if—
(1) This paragraph applies in relation to a UK group...
Circumstances in which warning and special measures notices are treated as having been given
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1 Liability for penalty
2 Meaning of “involving offshore activity” and related expressions
3 Amount of penalty
4 Potential lost revenue: enabling Q to commit relevant offence
5 Potential lost revenue: enabling Q to engage in conduct incurring relevant civil penalty
6 Treatment of potential lost revenue attributable to both offshore tax evasion or non-compliance and other tax evasion or non-compliance
7 Reduction of penalty for disclosure etc by P
8 (1) This paragraph applies for the purposes of paragraph 7....
9 (1) If they think it right because of special circumstances,...
10 Procedure for assessing penalty, etc
11 An assessment of a person as liable to a penalty...
12 Appeals
13 (1) An appeal under paragraph 12 is to be treated...
14 (1) On an appeal under paragraph 12(a) that is notified...
15 Double jeopardy
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18 General application of information and inspection powers to suspected enablers
19 General modifications
20 Specific modifications
21 In the application of Schedule 36 to FA 2008 for...

PART 3 — PUBLISHING DETAILS OF PERSONS FOUND LIABLE TO PENALTIES

22 Naming etc of persons assessed to penalty or penalties under paragraph 1
23 (1) The Treasury may by regulations amend paragraph 22(1) to...

SCHEDULE 21 — Penalties relating to offshore matters and offshore transfers

1 Amendments to Schedule 24 to the Finance Act 2007 (c. 11)
2 (1) Paragraph 9 (reductions for disclosure) is amended as follows....
3 In paragraph 10 (amount of reduction for disclosure), for the...
4 After paragraph 10 insert— (1) If a person who would otherwise be liable to...
5 Amendments to Schedule 41 to the Finance Act 2008 (c. 9)
6 (1) Paragraph 12 (reductions for disclosure) is amended as follows....
7 In paragraph 13 (amount of reduction for disclosure), for the...
8 After paragraph 13 insert— (1) If a person who would otherwise be liable to...
9 Amendments to Schedule 55 to the Finance Act 2009 (c.10)
10 (1) Paragraph 14 (reductions for disclosure) is amended as follows....
11 In paragraph 15 (amount of reduction for disclosure), for the...
12 After paragraph 15 insert— (1) If a person who would otherwise be liable to...

SCHEDULE 22 — Asset-based penalty for offshore inaccuracies and failures
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1 Circumstances in which asset-based penalty is payable
2 Meaning of standard offshore tax penalty
3 Tax year to which standard offshore tax penalty relates
4 Potential lost revenue threshold
5 Offshore PLR
6 Restriction on imposition of multiple asset-based penalties in relation to the same asset

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12 Inheritance tax
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17 (1) An appeal is to be treated in the same...
18 (1) On an appeal under paragraph 16(1), the tribunal may...

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20 Consequential amendments etc
21 Section 97A of TMA 1970 (two or more tax-geared penalties...
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9 The validity of anything done by the OTS is not...
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